THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XV. SINGLE COPIES, 10 CENTS. PUBLICATION OFFICE, TORONTO, JANUARY 14, 1921 ANNUAL SUBSCRIPTION $5.00. No. 2

TIME NOW RIPE TO PREPARE FOR TRADE REVIVAL

Bottom of Business Depression Finally Reached—Turn at Hand

LOSE ART OF SELLING

Lloyd Harris Speaks of Trade Possibilities Within Empire—Condemns Excess Profits Tax

The oft reiterated dogma that "the twentieth century belongs to Canada" has an able exponent in Lloyd Harris, of Brantford, former chairman of the Canadian Trade Mission to London, who in an address delivered before the members of the London Canadian Club last week called attention to the infinite trade possibilities that lie before. A note of optimism pervaded his remarks, and he declared without qualification that the bottom of the business depression in this country had been reached and that the time was now ripe to place industry upon a solid foundation. We, in this country, he declared, had every reason to be thankful that the deflation situation was not worse than it was. Bottom had not as yet been reached in the United States, and industry generally on the other side was in a much less favorable position than in this country.

The British Empire, he added, was the greatest proposition in the world today, and we in Canada little realized the extent of the fields existing within its component parts. There was an enormous business that we knew nothing about, but which Canadian manufacturers could secure if they only studied the needs of the peoples in other parts of the Empire. He continued as follows:

"There has been a wonderful experience in manufacturing during the war and Canadian manufacturers have built up a reputation with other countries and a confidence in their ability to do things. The trade lessons learned during the war should be applied to the industrial life now, but somehow or other we have lost the art of selling. During the war the demand for goods was so great that we didn't have to sell, but now we are faced with competition from all sides and we must actually sell our products.

"Other countries and peoples want our commodities, but they want them a little different, so that we must make a personal investigation of the markets. Then when we have received substantial orders we must keep faith with our buyers and deliver the goods exactly according to sample. If we are to establish international dealing we must keep faith."

Potential Markets in Empire

He drew attention to the potential markets for Canadian goods existing in Great Britain, Africa, the West Indies and Australia. All of these countries were in need of the manufactured and farm products of Canada. In order to expedite trade development, Mr. Harris advocated following the example of German merchants in establishing discounting banks, which would extend credit up to twelve months on notes offered in payment of our exports.

A suggestion which has perhaps not received prominence before was to the effect that the Canadian Manufacturers' Association should send a delegation of live business men to the West Indies and to other parts of the Empire, to have them meet the boards of trade of those colonies and meet the merchants there. Such a delegation, he declared, would pave the foundation for future commerce and cement the feeling of confidence and goodwill between the businessmen of Canada and the countries visited.

Canadians, he said, were importing too much from the United States, and this country was in consequence almost entirely dependent on the United States for certain lines of goods. We were now importing annually $120,000,000 worth of steel, as one example of what ought to be produced at home. It was the duty of Canadians to buy everything possible at home in order to rectify the adverse rate of exchange.

He spoke of the important results attending the extension of trade credits to European countries. Italy's trade with Canada grew in six years, from 1914 to 1920, from two to sixteen

Continued on page 9.

HAVE THEY THE GOLD?

By Resident Representative.

MONTREAL. — Among a number of rumors flying around this week was one that Canadian Car & Foundry Co. had received a huge order for equipment from the Soviet Government, and that for this and other orders, such as locomotives, $100,000,000 in gold would be deposited in this country. Those in close touch with the company are inclined to doubt the existence of the "gold" portion of the story: as for the orders they are ready any time the car company desires to accept them.

CANADA CANNOT ESCAPE COMMON LEVEL OF PRICES

Necessary Condition for Placing Trade on a Surer Basis

EATING UP OUR TAXES

Deficit on Railways More Than Business and Profits' Tax—Dishonorable Cancellations

By SIR HERBERT HOLT

The precipitate decline in the price of practically all commodities has been followed by an epidemic of cancellations of contracts, not widespread in Canada, but very prevalent abroad. I consider this a very dangerous symptom. To seek to escape payment for merchandise at prices which now indicate a loss is dishonorable. Our entire business structure is based on integrity, and has developed only as business morality has developed. Creditors should, wherever possible, give longer time to those of their customers who have to realize on goods bought at high prices. In return these customers should stick to their agreements. Any other procedure is fatal to good business.

Government control has practically disappeared during the year just past—wheat, paper and sugar being the commodities to be freed from regulation. Government ownership of transportation systems has developed. Without any advantage to the public in efficiency or rates, the operation of twelve months has resulted in a loss which will probably more than absorb the amount collected on excess profits and income taxes for the year 1919. Unless government methods of operation are more efficient in this country than they have been in others taxpayers in Canada may find the maintenance of their railroads and fleet more expensive than pension charges and other legislation of the war combined. Of a total of $6,400,000,000 spent by the United States during last year, $1,037,000,000 went to pay the cost incurred by the government in its control of the railways. The present waste is obvious, and the remedy should be speedy and effective. The needs of the country call for businesslike administration of its assets. If this be afforded we can attack our problems with added confidence.

BRIDGE COMPANY PUTS $100,000 IN SUBSIDIARY

Canadian Tillsoil Farm Motors Organized—To Increase in Dividend

By Resident Representative.

MONTREAL.—At the annual meeting of the Dominion Bridge Company on Wednesday afternoon it was announced that the company had financed its new subsidiary, the Canadian Tillsoil Farm Motors, Ltd., by the purchase of 500 shares of preferred stock at the par value of $100 a share and 10,000 shares of common stock of no par value at $5 a share, or a total of $100,000. The company owns the whole stock of this concern.

Reference was made to an increase of the present dividend of 8 per cent. by a shareholder, but the reply of the president, G. H. Duggan, did not encourage the idea at the present time. He said that while the directors would not forget this the present was an occasion where caution was required.

MAY LOOK FOR AN IMPROVEMENT IN BUSINESS SHORTLY

Retail Lines Much Broken—Buying Cannot Be Deferred Indefinitely

NORMAL BY SPRING?

Vice-President of Canadian Cottons Discusses Business Outlook—Lower Wages Bound to Come

A return to normal business conditions in Canada by spring is predicted by A. O. Dawson, vice-president of Canadian Cottons, Limited, in a communication to THE FINANCIAL POST. Mr. Dawson discusses the industrial and labor situations, and points out that unemployment is quite general in every industrial centre. While industry generally has been particularly depressed during the past few weeks, he expresses the belief that the worst is over, and points out conditions are now so shaping themselves as to permit of a more favorable adjustment within a comparatively few months. Speaking of the outlook for labor, especially in connection with the textile industry, he states that while there has been no reduction as yet, a change will have to be made shortly in order to correspond to the modification in commodity prices.

The following is Mr. Dawson's statement:

There is no doubt that trade has been slackening up for some time, and unemployment is becoming quite general. Personally I do not expect that the present conditons of things will last very much longer—I look for a gradual improvement in trade from this time forward, and it will be surprising if by spring we are not back again to normal.

So far as I can learn stocks in the hands of the retail trade are very much broken, and these stocks will have to be replenished in the not distant future. Apparently the sooner we all get down to "rock-bottom" the sooner will conditions improve; profits have been practically eliminated in so far as the textile industry is concerned, and if these low prices now being quoted are met by the wholesale and retail trade, as doubtless they will be met in time, then we may look for an improvement in business very shortly.

In so far as raw cotton is concerned this is now selling much below the cost of production and, of course, a condition of this kind cannot last indefinitely. It would, therefore, appear as if liquidation was complete as far as the raw materials and the mills are concerned.

Of course, no change has as yet been made in wages in the textile industry in Canada, but I fear that something will have to be done in this direction in the near future. Our competitors in the United States have reduced wages all the way from 22½ to 30 per cent., and, naturally, to enable us to keep these goods out of the country our prices must be made right. I believe that our work people realize what we are up against, and I am satisfied that they will take without protest any reduction in wages that the mills find it necessary to make. The workers will not suffer any by a reasonable reduction in their wages because of the fact that the cost of living is gradually coming down, and will, in due course, meet the full reduction that may be made in wages. I find that our mill people are working well at the present time, and their efficiency shows a very marked improvement over a few months ago.

ILLEGAL CUTTING CHARGED

New Brunswick Officials Say Pulpwood Shipped to U. S.

FREDERICTON. — Charges that American lumber companies operating in York County along the New Brunswick-Maine international boundary were illegally cutting pulpwood on Crown lands and exporting it to the United States were made at a meeting of the York County Council.

Councillor Wetmore, of North Lake, declared that the wood was hauled through private woods to the border so as to make it appear that it was cut on privately owned lands and therefore eligible for export. He demanded that the Provincial Government take steps to stop this practice.

Coun. Wetmore said that as the United States was placing a heavy discount upon the Canadian dollar, the time had come for "Canadian citizens to strike back in every possible way."

BUMPING THE BUMPS

Darling in Des Moines "Register."

If it's all the same to everybody else, Aunt Hester would just watch the rest do it!

BIG EXPORT ORDER FOR ST. LAWRENCE FLOUR

Largest in Five Years, President Declared—Regular Dividend Paid as Usual

By Resident Representative.

MONTREAL.—After a long wait for orders Canadian flour mills are confident that conditions will show marked and permanent improvement. To THE FINANCIAL POST on Wednesday Thomas Williamson, president of St. Lawrence Flour Mills, stated that they had just received a big order from England, the largest single order in the last five years.

A rather pleasant surprise came to a number of the shareholders of the company this week when the directors decided to pay, not only the regular quarterly dividend of 1½ per cent. but the bonus of 1 per cent. on the common stock which has been paid for over two years now. This will be payable on Feb. 1 to holders of record January 30. There was a feeling among a good many of late that owing to the decline of business of the company through very limited export orders for flour from England, the company might decide not to give this bonus. The stock made a response to the payment of this bonus, but counting the dividend as on a 10 per cent. basis, the stock still sells on a basis of 13 to 14 per cent. yield.

NEW AMES-HOLDEN ISSUE

MONTREAL.— New financing in the form of a bond issue is being arranged for Ames Holden McCready to provide working capital.

BOWMAN WANTS WINDSOR

MONTREAL.—The effort to secure an option on the Windsor Hotel property at $175 a share is said to come from John McE. Bowman, the Canadian who heads the big hotel syndicate in New York.

CUT IN PAPER

MONTREAL.—A cut of 20 per cent. is reported in high grade writing papers to meet conditions of the market, falling off in orders and American competition.

PROFITS OF WAR

British Empire profited most as a result of war according to financial reports from foreign and domestic sources received by Savings Banks Association of New York State. Total estimated wealth of principal countries involved in war is $819,000,000,000 against $698,000,000,000 in 1914. Estimated wealth of Great Britain now is $230,000,000,000 against $130,000,000,000 when war started and United States $300,000,000,000, a gain of $5,000,000,000 since 1914.

MONTREAL HEARS BAY VIADUCT IS PENDING

Negotiations Said to be in Progress for C. S. L. Property

By Resident Representative.

MONTREAL.—A story has reached here that the city of Toronto has made an offer to Canada Steamship Lines of a large sum for their waterfront property in Toronto—running into millions of dollars—as all of this will be taken over when the viaduct is built and a large area now part of the "Bay" is filled in. When a new water front is constructed the city will own it all, and merely lease its docks.

The above news item from Montreal indicates that negotiations regarding the Toronto bay front railway viaduct may have been commenced in earnest. Under a viaduct agreement executed some years ago between the C. P. R., the G. T. R., the Toronto Harbor Commission and the City of Toronto, the railways were given authority to expropriate a large area of water front property, including the Canada Steamship Lines docks. Owing to the war the expropriation proceedings have never been gone ahead with. When eventually the agreement is carried out the docks of the Canada Steamships Line will be taken over, and certain sums, to be agreed upon by arbitration, will be paid to the company. In addition new docks will be built for the company at the new water line, to be owned by the harbor commission and leased to the company.

BIG SUGAR INTERESTS JOIN ATLANTIC

New Vice-President and Director From English and New York Houses

By Resident Representative.

MONTREAL.—The financial developments in connection with Atlantic Sugar Refineries would appear to be more favorable. At a meeting of directors on Wednesday afternoon of this week two representatives of powerful sugar interests were added to the board and it is understood that the companies they represent have considerable holdings of Atlantic. These were Wilfrid A. Hobbins, of the firm of Edward Gray & Co., sugar merchants, of London, England, and Liverpool, England, who was made a vice-president of the company, and Samuel Rionda, head of a New York sugar firm, and also of the Cuba Cane Sugar Corporation. The stiffening of the price of raws tended also to improve the market position of Atlantic

IMPROVED TONE DEVELOPS UPON STOCK MARKETS

Stocks Are Active and Firmer Throughout The Week

LIST BROADENS OUT

Investment Buying on a Fairly Large Scale Develops—Victory Bonds Move Up a Notch

A revival of investment buying on a fairly large scale imparted more than the customary activity to the Canadian stock markets this week. Under the stimulus of a sustained demand the majority of stocks moved forward and registered substantial gains at the week's close. Practically every group was favorably affected, and the decided change gave rise to the impression that the long period of depression was ended at last, and that the markets had definitely embarked upon the anticipated bull movement.

The trading list was broad throughout the week, and no one member or group monopolized attention. Trading in Victory bonds probably provided the most sensation, as every issue responded to the heavy demand, by advancing in the majority of cases even beyond the prices which had been fixed by the market committee, or several points above the low reached following the ending of control. The upward movement in Victories has given rise to the belief that money rates are being adjusted to a new and lower standard than has prevailed for some time.

The favorable influence arising out of the demand and improvement in the government issues was extended throughout the balance of the market. The tractions were prominent and distinctly firmer. The bank stocks too rivalled the tractions and each member of the group registered substantial gains. Interest in the banks was stimulated in part by the favorable reports that have been issued and published within the past few

Continued on page 16.

THE POST

THIS WEEK CONTAINS

President's Annual Banquet for Exchange of Ideas 2
Canada Contains 37,000 Square Miles of Peat Deposits 2
Babson Presents Ten Arguments for Prosperity 3
Improved Management Is Demanded for Dartmouth Ferry 3
The Future of Ottawa Railway Remains Unsettled 4
A Record Year Experienced by Canadian General Electric 4
Imperial Life Company Maintains Steady Growth Throughout the Year 5
Canada Life Co. Closes a Record Year's Business 5
Profits of Dominion Bridge Are Up to 14.84 Per Cent. 6
Barcelona Traction Co. Faced Prolonged Labor Unrest in 1919 6
Big Problems Being Faced by Mines of North 7
Controversy on Associated Goldfields Reopens 7
Another Plant to Develop Power on the St. Lawrence 8
Must Adjust Retail Prices Before a Change 8
Conditions Are Unsatisfactory in Cuba Island 8
Prof. Leacock Addresses Bank Men on "Theory of Money" 9
The Widening Field of the Branch Bank Manager 9
The Public Refuses to Be Fair to Public Utilities 10
Why the Western Farmers Shied Away From Labor 11
New Price Level for Victory Bond List Established 12
Montreal Cities Fight Over Plan for Annexation 13
Insurance Company Inaugurates New Privileges for Insured 14
Record of Canadian Stock Movements During the Week 15
German Paper Is Expected a Factor in Determining Prices 16
Development of Arctic Oil Starts This Year 16
Ships Are Available to Develop Our Foreign Trade 17
Prosperity Wave Is Now on the Ebb in Newfoundland 17
Annual Report of Canadian Bank of Commerce 18
A Severe Utilitarianism Is Part of the Economic Policy of Canada 20

EDITORIAL

Manufacturers Bear the Blame — Mr. Clancy and Hydro Accounts —Echoes of the Municipal Loan Fund 10

BANK OF MONTREAL

Established over 100 Years.

Capital Paid up - - - - - - $22,000,000
Rest - - - - - - $22,000,000
Undivided Profits, $1,251,850
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Total Assets (Oct. 30, 1920), over $209,000,000

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Vice-President: A. J. DAWES.
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Supt. of Branches and Chief Inspector: T. E. MERRETT.
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CANADA

462

UNION BANK OF CANADA

Your Business Account

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THE DOMINION BANK

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EXCHANGE IDEAS AT PRESIDENT'S ANNUAL BANQUET

Spanish River Pulp & Paper Mills Adopt Unique Feature

PROMOTE GOODWILL

Department Heads Meet Executive Officers on Common Ground — Discuss Company's Ideals

A feature unique perhaps in Canadian industry, but which has become a regular institution with the Spanish River Pulp & Paper Mills, is the president's banquet, held once a year, to which members of the executive and heads of the various departments of the mills at Sault Ste. Marie, Espanola and Sturgeon Falls, are invited. In addition to providing a pleasant social evening for those in responsible positions with the company, the privilege is also presented for the interchange of valuable ideas, and the outlining of the company's activities and prospects for the coming year. The management claim that this annual gathering has been one of the most effective means in maintaining the very favorable relations that exist between the officers and workers. By this means a satisfactory understanding is arrived at between the department heads and the executive, which, in turn, is extended to the individual worker.

The fifth annual banquet was held in Saulte Ste. Marie on Saturday last, and the guest list was extended to include heads of neighboring industrial concerns, prominent business men of the district, and in addition, Senator Gideon Robertson, Minister of Labor, and Hon. Beniah Bowman. Addresses were delivered by President G. H. Mead of the Spanish River Company, the government ministers, and by speakers from each of the company's plants, who were chosen by lot as special representatives.

President Mead spoke of the very satisfactory relations that had been maintained between workers and employers throughout the year. He said that the annual gathering was held for the purpose of bringing forth the company's policies and ideals for the year's works, and to bring about a closer association with the men on whom the company depended for its operation. It was the company's wish, he said, to instil into each mind that an endeavor was being continually put forth to give honest return for every dollar made. Production of the mills, he continued, was 625 tons of newsprint, 500 tons of ground wood, 230 tons of sulphite and 40 tons of board, daily, which in all represented 20 per cent. of Canada's production and 8 per cent. of the production of the American continent.

Company's Development

Some interesting light was thrown upon the company's development by Col. Thomas Gibson, the company's legal adviser. While the company's past had been a troublesome one, he stated, it had been an honored one, and the organization had grown into one of the largest of the Dominion. In 1894 the first ground wood mill was built, and in 1901 the first sulphite mill at the Sault, with a capacity of 8 tons a day. In 1913 the three companies at the Sault, Espanola and Sturgeon Falls were united.

Hon. Gideon Robertson commented favorably upon the spirit of harmony and co-operation evident within the ranks of the company's workers. He endeavored to impress upon the gathering the interdependence of every class of society and capital. This was the very basis of modern society, he declared. Speaking of the progress that had been made by the government in providing for labor he said that the one million dollars a year for ten years had been set aside for technical education because workingmen had come to realize that by becoming skilled workmen they could give better service to their employers and to the nation. There were now eight thousand teachers giving technical courses, and 60,282 workmen were in attendance.

In connection with the establishment of a plant council, which it is understood the management of the company have in view in addition to their other advanced benefit schemes for workers, the Minister of Labor stated that the value of such a council was exemplified by the results of the coming together of the railway officials and their employees, resulting in six men being appointed to represent each party at a hearing of the matters in dispute.

Hon. Beniah Bowman emphasized the need of forest conservation to offset the depredations upon the forest resources of the province by the constantly expanding pulp and paper industry. He called attention to the work of reforestation now being carried on by the government in Norfolk county, where some 1,600 acres of waste land had been replanted with maple trees.

SASKATCHEWAN'S WHEAT POOL PLANS

Premier Martin Makes Statement as to What Provincial Government Is Doing

By Resident Representative.

REGINA.—That the Saskatchewan government has given serious consideration to the general question of wheat marketing since the Canada Wheat Board was abolished and that it is endeavoring to secure the best available expert advice on the various schemes which have been suggested for co-operative pooling is admitted by Premier W. M. Martin. The premier has given out a statement setting forth what his government is doing.

"It is true that the Government has been giving the whole matter of wheat marketing serious consideration since the abolition of the Canada Wheat Board.

"We recognize that the people of this province are more largely and vitally affected than those of any other province, as Saskatchewan farmers produce nearly two-thirds of all the wheat produced in the West. The Government and nearly 25,000 farmer shareholders of the Saskatchewan Co-operative Elevator Company jointly have invested over $5,500,000 in facilities for improving grain marketing in this province since 1911, when the company was established; and in addition have continuously since then further assisted the company by way of guaranteeing credits.

"If further improvements in grain marketing methods are possible and practical, we want to know what they are, how they can be applied, and in what way we can be of assistance.

"We are naturally desirous of having a thorough examination made before any new methods are adopted in order to be sure that any suggested improvements are sound and not likely to endanger the progress already made. For these reasons you may state that the Government is endeavoring to secure the best available expert advice on the various plans for marketing wheat which are being suggested."

EMBARGO REMOVAL WAS NOT PROMISED

But There Was an Understanding to This Effect at Imperial War Conference

By Resident Representative.

REGINA.—The statement that in 1917 the Imperial War Conference, at a meeting presided over by Hon. Walter Long, and attended by Mr. Prothero, Sir Robert Borden and others, agreed by resolution to remove the embargo on Canadian cattle to Great Britain, has been shown by an exchange of communications between the Minister of Agriculture of Saskatchewan and the Canadian High Commissioner in London to be inexact. The statement came out of Winnipeg and during the latter part of December received considerable publicity through the press.

The Hon. Mr. Hamilton wired to Sir George Perley that the embargo question was agitating the minds of Canadian farmers and asked to be advised as to the accuracy of the statement alluded to, as follows:

Regina, December 23, 1920.

Canadian High Commissioner,
London.

A report published this week in Canadian newspapers states that in 1917 the Imperial War Conference at a meeting presided over by Hon. Walter Long and attended by Mr. Prothero, Sir Robert Borden and others by resolution agreed to remove the embargo on Canadian cattle to Great Britain. This question is now agitating the minds of Canadian farmers. I desire on behalf of Saskatchewan that you ascertain the accuracy of this statement and report accordingly to the present Minister of Agriculture. The need for close Imperial relations will apparently increase rather than diminish.

(Sgd.) C. M. HAMILTON,
Minister of Agriculture.

Under date of December 29, Sir George Perley, Canadian High Commissioner, answered this query in the following words:

"Your cable received. The question of the catle embargo was thoroughly discussed at the Conference in 1917, and while no formal resolution was passed, those present came away feeling assured that the embargo would be raised at the end of the war."

OPEN SHOP CAMPAIGN

Bethlehem Steel Corporation Dictates to Contractors and Builders

Eugene G. Grace, president of the Bethlehem Steel Corporation, testifying before the Lockwood committee, admitted that his corporation was dictating to contractors and builders in New York and Philadelphia that they could buy fabricate steel only on condition that it be erected under open shop conditions.

CANADA CONTAINS 37,000 SQ. MILES OF PEAT DEPOSITS

Estimated of Sufficient Depth to Produce 9,000,000,000 Tons Peat

DEPOSITS ELSEWHERE

May Be Required to Look to These Peat Bogs for Fuel in Future—Should Gain Knowledge Now

In view of the increasing costs of coal to Canadian consumers, especially in the central portions of the Dominion, some enlightening information upon the peat resources not only of this country but of a number of the leading industrial countries of the world, contained in a paper recently delivered in Toronto and prepared by B. F. Haanel, of the Peat Committee at Ottawa, appointed by the Federal government, was of special interest. The United States, exclusive of Alaska, he pointed out, possesses some 139,855 square miles of swamp lands, of which it was estimated 8 per cent., or 11,188 square miles, would have peat deposits of good quality. Assuming that the average depth of the peat in this area is at least nine feet deep, and that the average yield would be 2,000 tons of a saleable fuel per acre for each foot of depth, the total available in fuel in the deposits would reach approximately 12,888,500,000 tons.

Referring to the deposits in Canada, Mr. Haanel stated that there was an area estimated at 37,000 square miles covered by peat, a large portion of which was suitable for the manufacture of peat fuel. Of this area, 12,000 square miles is situated in the more inhabited portions of the Dominion, and if it is assumed that this 12,000 square miles is all suitable for the manufacture of a fuel and has an average depth of 6 feet, it is estimated that there will be sufficient peat to manufacture over 9,000,000,000 tons of 25 per cent. moisture peat.

Ireland alone has some 3,000,000 acres of peat bogs, having an average depth of 26 feet, which is capable of producing over 5,000,000,000 tons of peat fuel. Other parts of Europe also possess enormous areas of peat bogs.

Dormant Heat Energy

From these figures it will be seen, he added, that the heat energy lying dormant in the peat areas of the world may in a short time become a very important factor in maintaining our civilization, and while in certain countries the necessity for utilizing this source of fuel may not be immediate, efforts should be made to gain all the required knowledge and data necessary before peat bogs can be exploited, so that no time should be lost in the development of the bogs for the time when it became necessary to look for some other form of fuel.

The most notable steam power plant utilizing peat exclusively as a fuel, he added, is that erected by the Siemens Electric Company on the Wiesmoor in Germany. This steam plant is most modern in design. The fuel was fed to the boilers automatically and it is claimed that a very high boiler efficiency was maintained. The capacity of this power plant was in the neighborhood of 5,400 h. p., and it was said that with peat fuel of 30 per cent. moisture, the plant power could be more cheaply produced than with coal costing $3.50, delivered to the plant.

Peat fuel in the form of powder is employed for generating steam on locomotives of the Swedish state railways.

LUMBER IN EAST

Exports from St. John District Are at Low Ebb

The exports of lumber from the St. John district, which were exceedingly heavy the past summer, have suddenly fallen to a low ebb. It is understood that no contracts have as yet been made for any winter sawn timber.

Stocks of deals and scantlings are heavy, but those of low-grade refuse lumber are well reduced. Few crews, if any, have been sent to the woods.

The exports of lumber from this district to the United States for the years 1918, 1919 and 1920 were as follows:

Quarter periods	1918	1919	1920
First	$ 587,107	$ 132,527	$ 898,859
Second	966,281	464,545	1,467,377
Third	652,698	909,824	1,371,756
Fourth	602,693	997,901	......
Total	$2,808,779	$2,504,797	$3,737,992

THE UNION BANK OF AUSTRALIA, LTD.

Established 1837. Incorporated 1880
CAPITAL—
AUTHORIZED AND ISSUED £7,500,000

Paid-up Capital ...£2,500,000
Res. Fd., £2,570,000 Together £5,070,000
Res. Liab. of Proprietors....£5,000,000
Total Capital and Reserve..£10,070,000

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BABSON PRESENTS TEN ARGUMENTS FOR PROSPERITY

"The Fundaments of Prosperity Are the Ten Commandments"

LOWER PRICE LEVELS

Some Interesting Comparisons to Show Declines—Thinks "Religion" a Dominant Factor in Situation

By ROGER W. BABSON,
Noted Business Statistician and Analyst.

There are a great many factors which today foretell business prosperity. Let me mention ten:

1. The great mass of people still have the Government bonds which they bought during the war. Until these are sold there will remain a big reserve buying power.

2. Millions of dollars which heretofore have been spent for drink are now being spent on the building of homes, the buying of comforts and general merchandise.

3. The banking system of the United States is more flexible than it has ever been during any preceding period of financial stress.

4. National advertising has come to stay, and is destined to be a great force in the producing and steadying of business.

5. The war has resulted in the standardization of many lines, which causes greater efficiency in production.

6. An impetus has been given to foreign trade which will continue for many years, especially as we now have a great merchant marine.

7. Seasonable fluctuations in manufacturing and selling are being eliminated.

8. A reduction in taxation may be expected. This especially applies to business and profits taxation.

9. Recent political elections show that the mass of people are at heart conservative and can be counted on to back up a business man's government.

10. The war made the United States the richest country potentially in the world.

Yet, notwithstanding these favorable factors, general business is discounting depression. This is clearly evidenced by the recent great decline in commodity and security prices. The following figures illustrate what has taken place:

Commodity	June, 1914	June, 1920	Now
Cotton (lb.)	.13	.40	.15
Wool (lb.)	.25	*1.00	.50
Silk (lb.)	4.00	†16.00	6.00
Metals (lb.)	.60	1.20	.90
Copper (lb.)	.14	.19	.13½
Wheat (bus.)	1.00	3.00	1.70
Corn (bus.)	.75	2.00	.90
Sugar (lb.)	.04	.22	.08
Potatoes (100 lbs.)	3.75	13.00	3.50

*March. †January.

Why this apparent inconsistency? Let me explain.

Business runs in cycles—first a period of prosperity and then a period of depression. When studying these business changes, it was necessary to resort to certain statistics. In endeavoring to ascertain what causes the statistics, it was found: First, that a period of depression is the result of the unrighteousness, dishonesty, extravagance and inefficiency which develop in the latter half of a period of prosperity, and, second, that a period of prosperity is the reaction from the righteousness, industry, integrity and thrift which develop in the latter half of a period of depression.

The meaning of this is plain. It is not railroads, steamships or factories which cause our prosperity; it is not bank clearings, foreign trade or commodity prices which give us good business. All these things are mere thermometers that register the temperature of the room. Prosperity is based on those fundamental qualities of faith, temperance, service and thrift which are the products of religion. The fundamentals of prosperity are the Ten Commandments.

Religion the Basis of Civilization

Civilization has been possible only through the development of a religion which taught honesty, service and thrift. Without this religion there would be no steamships, no sewing machines, no electrical appliances and no factories. Our entire industrial structure is founded on corporations, stock certificates, mortgages, deeds and savings bank books. The use of these would be absolutely impossible were it not for religion.

Hence, the real reason why keen business men are to-day discounting depression in the face of these favorable factors is because of to-day's lack of religion. Everyone is to-day trying to get as much as they can and do as little as possible.

The development of America through the construction of the transcontinental railways, the financing of the western farms, and the building of our cities is largely due to the teachings of our Puritans, that laziness and extravagance are sins. In some western communities it is popular to laugh at these religious traits, but it was this religion which is responsible for the development of America.

The future of American business depends on the developing of the soul of the man and again permeating labor, capital and management with integrity, industry and thrift. Business conditions can be changed for the better only as a man's attitude towards life changes.

TIMBER INDUSTRY REVIVING IN WEST

Busy Times Expected During Coming Summer After Protracted Dull Period

By Resident Representative.

EDMONTON.—The lumber industry in this district is due for some busy times during the coming year. Practically all the companies operating out of Edmonton and in the near north are calling for men to work in the bush, and in some cases larger crews are being taken on than last year.

The Northwest Lumber Co., which is now logging on extensive timber berths on Lesser Slave Lake, expects to saw 20,000,000 feet of spruce lumber next summer. Its logs are brought by rail to Edmonton and milled here in the largest lumber plant in the province.

D. R. Fraser Co., one of the old established firms, will re-open its mills after a shut-down of six years. Logs will be brought down the Saskatchewan river from berths 105 miles upstream, and application is being made to the Dominion Public Works Department for permission to build piers and booms in the river to facilitate driving operations.

INEFFICIENCY OF PUBLIC OWNERSHIP

Ten Factors Which Make for Unbusinesslike Methods in Government Departments

That all government departments in all countries are slow, wasteful and incompetent is a well known fact. There must be a basic reason for this as the individuals in these departments cannot all be inferior to the individual in privately owned enterprises. Almost invariably when an able man is placed in a government department, he becomes timid, noncommittal, evasive and unprofitable. All the powers that create success in the wide, free world of business decay and die.

Why is this? The following reasons, advanced by "100 per cent.," will point out why it is almost impossible for a man to be competent in a government job:

(1) There is no Payment by Results.—There is no piecework. There is no profit work. There is no profit-sharing. A man gets as much for doing badly as he does for doing well.

(2) There is no Fear of Discharge.—As long as his conduct is satisfactory he cannot be discharged for incompetence.

(3) There Are no Profits to be Made.—There is no possibility of bankruptcy. If the Department doesn't pay very well, the treasury has plenty.

(4) There is no Danger of Losing Customers.—A Government department does not depend upon customers, so it has no incentive to be quick, courteous and obliging.

(5) The Main Thing is Accuracy, Not Success.—The one aim of a government employee is to avoid mistakes. The less work he does—the fewer mistakes.

(6) Time is of no Consequence.—As all Government employees are made into clerks, they come to have a clerk's disregard for time. Delay is a relief and comfort—the more the better.

(7) The Work is Impersonal.—There is very little personal responsibility in a Government office. The clerks have arranged a system whereby nobody is to blame no matter what happens.

(8) There is no Competition.—A Government department is always a monopoly. It has no competitors, can take its ease and do as it pleases.

(9) Routine is Put Ahead of Service.—In Government departments all workers are tied with red tape—slaves of a system of procedure.

(10) There is no Enthusiasm.—If a man stays in a Government job long enough he loses all the energy and joy of living that are so necessary to efficiency and success. No matter how able he may be, he simply has no chance to be efficient. He is ground down until he is a clerical drudge—his mind is dulled and his feelings benumbed.

BARTER IN GERMANY

Practice Is Increasing Because of Exchange Problems

As a result of the exchange difficulties bartering has developed and is being practised to an increasing extent. For example, a deal was made recently for the sale of 1000 tons of American flour to German importers for an equal value at current prices of coal tar pitch. Of course, the uncertainty of delivery from the German side is a difficulty in the way of such barter arrangements. There are now on hand in the Netherlands large quantities of the foreign goods Germany needs, which can be moved only by some such barter agreement. The continued low value of the mark renders the mark value of imported goods so high in Germany that many necessities of life are held completely out of the reach of German consumption.

DEMAND IMPROVED MANAGEMENT FOR DARTMOUTH FERRY

Sinking Funds and Depreciation Account Now Badly Neglected

ASK HIGHER FARES

Commission Finds Municipally-Operated Ferry Line in Halifax Harbor Needs Better Financing

By Resident Representative.

HALIFAX. — THE FINANCIAL POST has on more than one occasion had something to say regarding the finances of the Dartmouth Ferry Commission, which operates the municipal system that keeps up communication between Halifax on one side of the harbor and the town of Dartmouth on the other. Some new figures have just come out as the result of the work of a committee appointed by the provincial government to look into the matter, in view of the need of increased rates on the ferry boats. The government in doing this adopted the rather unusual course of naming three men outside the personnel of the commission.

From their researches it appears that the commission owns three steamers valued at $166,112.68 and terminals and real estate valued at $108,740.25, a total of $274,852.93. Against this there are outstanding debentures of $266,000,000. The only amount set aside as a sinking fund against this is the sum of $4,282.95, invested in the Nova Scotia Building Society, which amount has not been added to for years. There is a "reserve fund" for extraordinary repairs amounting to $29,494.36.

No Depreciation Account

The committee says they cannot find that any definite policy has been followed to provide for replacements or extraordinary repairs. They think a depreciation account should be credited each year with a fixed percentage of the value of the property involved and this account charged with such replacements and repairs. The committee remark that they cannot overlook the fact that the boats are becoming old and will have to be replaced before the outstanding debentures are paid and they advise that a sinking fund be established for the purpose of retiring these debentures as rapidly as possible. They mention five per cent. of the outstanding debentures for this purpose, an amount which they say will not be sufficient, but could be supplemented by the issue of short term debentures to meet the situation. In fixing new fares, these charges should be kept in view.

Recommend Higher Fares

The commission has kept the fares at the old five cents for transient passengers, and with reductions for holders of commutation tickets. The committee recommend that the rate for transient passengers be increased to seven cents and that many changes be made in the commutation tickets and for vehicular traffic. Further, it is recommended that efforts be made to have the county, the city of Halifax and the province share in the burden of operating the ferry, on the ground that it is not merely a means of giving transportation to the people of Dartmouth, but because it has become a part of a great highway in which all should join to maintain.

It looks like the old story of municipal management failing to look to the future, but satisfied with the appearance of charging low rates in the meantime and making operating expenses appear small.

It is likely the government will grant permission to charge the higher rates, but that they will also insist on making a depreciation allowance and the creation of a sinking fund, neither of which has been done, except the bagatelle set aside years ago for the latter purpose and which had been almost forgotten.

DAIRYING IN WEST

Saskatchewan Is No Longer Exclusive Wheat Province

REGINA.—A statement issued today by Dairy Commissioner Percy Reed shows that the value of the dairy products of Saskatchewan in 1920 was $21,900,120.80. The province produced 6,659,110 pounds of creamery butter, valued at $3,614,920.80, and 22,350,000 pounds of dairy butter valued at $9,051,750, or a total of 29,009,000 pounds of butter, valued at $12,676,670.80. It produced 35,500 pounds of cheese valued at $11,360; 556,624 gallons of ice cream valued at $799,090, and milk and sweet cream valued at $8,413,000.

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RATE INCREASE FOR CANADA PERMANENT

Good News for Shareholders Not Likely To Be Very Long Deferred

The annual statement of the Canada Permanent Mortgage Corporation is now being compiled and it is expected to make a very favorable presentation of the affairs of that company. With a revival of demand for mortgage loans in Western Canada at rates from 8 to 9 per cent earnings have been satisfactory despite the high rates which must now be paid for capital and the difficulty of raising funds in Great Britain with unusual rates prevailing on the other side and exchange a discouraging factor.

In view of the fact that in the statement this year the reserve fund will equal the paid-up capital, and in view of a rather significant statement made by the president at the last annual meeting, news of something more attractive for the shareholders in the way of dividends should not be long deferred. With the reserve equal to the capital a larger distribution will be in order. The company has been paying 10 per cent. since 1913, 9 per cent. was paid in 1912 and prior to that the rate was 8 per cent. Earnings for the past nine years have averaged about 14 per cent.

DOMINION CANNERS

Dominion Canners was active and firmer throughout the week, the development giving rise to the rumor of the possibility of a resumption of dividends in the near future. This report was given its quietus, however by W. R. Drynan, general manager of the company, who stated that the directors had no intention at present of declaring a dividend on the common stock.

Earnings for the first week of January amounting to $34,599, showed a decrease of $2,471 or 6.7 per cent. as compared with the same period in 1920.

UNLISTED SECURITIES

Stocks—	Bid	Asked
Alberta Pac. Grain, com.	130	..
Do., pref.	73	81
Ames-Holden Tire, com.	..	40
Belding Paul, com.	..	37
Do., pref.	..	80
Brandram-Henderson prf.	82½	91
British Amer. Assur.	8¼	12½
Can. Machinery, com.	22½	27
Can. Macaroni, com.	..	2½
Canadian Oil, com.	63	69
Can. Westinghouse	100	107
Cockshutt Plow, pref.	50	55¼
Cuban Can. Sugar, com.	..	11
Can. Woolens, pref.	..	73
Do., com.	..	43
Can. Crocker-Wheeler, pf.	72½	..
Crown Life Ins.	74	..
Cuban Can. Sugar, pref.	..	1
Dom. P. & Trans., com.	..	41½
Do., pref.	85	90
Dunlop Tire, pref.	88	92¾
Famous Players, 8% pfd.	..	81
Home Bank	97½	101½
Goodyer Tire, pref.	79	85
Gunns, Ltd.	..	80
International Milling pref.	..	90
London Loan	83	.
Loew's Hamilton, com.	..	115
Do., pref.	..	85
Marcus Loew's, pref.	..	90
Mattagami Pulp, pref.	70	80
Do., com.	26	30
Mercantile Trust	90	..
Manufacturers' Life	170	200
Murray-Kay, pref.	60	70
National Life	150	..
North Amer. Pulp	5½	6¼
People's Loan	..	80
Page Hersey, pref.	84	..
Riordon, com. (new stock)	25	30
Do., pref. (new stock).	70	75
Sterling Coal, com.	18½	22¼
Robt. Simpson, pref.	..	78
Sterling Bank	108	114
Trusts & Guarantee	65	72½
United Cigar, com.	.55	.75
United Cigar Stores, pref.	1¾	2¼
Western Grocers, pref.	62	70
West. Can. Pulp	20	29
Western Assurance	10	12½
Whalen Pulp, com.	15	21
Do., pref.	...	44
Bonds—		
Abitibi Gen. Mort., 6s	..	89½
Amer. Sales Book, 6s.	92	..
P. Burns, 1st Mort., 6s.	90	98½
Can. Machinery, 6s	79½	..
Collingwood Ship., 6s	91	..
Dunlop Tire, bonds, 6s	90	97
Eastern Car, 6s	85	91½
Harris Abattoir, 6s	89½	93½
Wm. Davies, 6s	92	99
N.S. Steel, debs., 6s	71	76½
Lake Superior Paper, 6s.	89	95
Gordon-Ironsides, 6s	85	90
Mex. Nor. Power, 5s.	9	12½
John Morrow Screw, 6s	84	87¾
Ontario Pulp, 6s	91	96½
Toronto Power, 1924, 5s.	85¼	91
King Edward Hotel, 7s.	72½	76

C. G. E. TO REPORT A RECORD YEAR TO SHAREHOLDERS

Senator Nichols Reviews Successful History of Company

IS DROPPING DETAILS

President Proposes to Devote Himself to Larger Problems Of Office and Shift Burdens of Management

Some outline as to the satisfactory conditions that will be embodied in the annual statement of the Canadian General Electric Company at the end of March were given to THE FINANCIAL POST by Senator Frederick Nichols. Business to date fully warrants the statement that the year ending March 31st will go on record as by far the best year which the industry has enjoyed. Orders in hand and prospects for 1921 are equally encouraging and the company looks forward with high confidence to the next twelve months.

The annual meeting of this company comes due during the last week in March. No immediate or important changes are expected either in the directorate or policy of the company. It is rumored, however, that the Senator will in the near future allot some of the less important routine duties of management to others and confine his activities more generally to the work appertaining to his office as president.

Throughout the long thirty-two years of his association with the company, Senator Nichols has maintained a policy of personal control of all details, large and small. The present large business of the company makes such a policy almost impossible and at the same time more than ever requires that Senator Nichols' time be free for his presidential duties.

In view of the past and prospective growth of the electrical industry in Canada, the company has adopted a policy of preparation. Large extensions have been made to the plant and equipment, notably the electrical equipment works on Wallace Avenue, Toronto, which is probably the equal of any in the world. Large additions have just been completed at the Peterborough works, which have increased the machine shop to nearly one half mile in length. These two factories are being equipped with the latest and most efficient machines and tools.

The new warehouse building on King Street, Toronto, adjoining the executive offices, has been completed and occupied. In area and equipment these are probably the best for the purpose on the continent.

A Canadian Enterprise

Viewing the company from the standpoint of Canadian enterprise and national interest, Senator Nichols added:

"It is a matter of pride to know that this successful position and healthy growth has been achieved entirely by Canadians and principally with Canadian capital and there is no reason why it should not so continue. Some few shareholders reside in England, where at one time a rather large proportion of the stock was held. At present the proportion of English shareholders has been largely reduced owing to causes arising out of the war. A considerable amount of stock from British interests has been offered on the market and has all been absorbed in Canada. To my mind this fact speaks volumes for the strength and growth of Canada and the confidence of her business men in the country's industries.

American Optimism

"On my recent trip to the States, I observed a feeling of returning optimism and less pessimism than on my previous visits. Probably the outstanding feature is the wonderful change that has occurred in regard to feeling in the United States about Canadian resources and achievements. I am prepared to say that those whose opinions are worth respecting give this country a perhaps fuller share and greater mead of praise than our natural modesty can readily assimilate.

The reasons which were given me by large and representative American business men to account for their feeling of optimism is that the forced liquidation of all commodities has been about accomplished. Very large stocks have been disposed of almost regardless of cost. Warehouse shelves have in large measure been depleted, and the natural result of these sales has been to discharge large financial obligations and in an effective measure make available the monetary resources of the country. The stocks thus depleted have not been replenished and it is agreed that a natural demand must soon follow. While these buying orders will not be as full as during the inflated period, they must be large, originating from a buying public of 110 millions of people. A normal, healthy business should therefore be expected with an increase in employment offerings, always provided that labor will view the situation in the reasonable light of actualities.

"Recent developments have taught business men caution and it is therefore believed that return to good times will come gradually and not as hastily as the period of depression fell upon us. That an upward trend has already commenced is the opinion of those I come in contact with and whose opinions I value."

BOOK PAPER CONFERENCE

Makers and Publishers Discuss Their Problems

The conference between the book and writing paper section of the Canadian Pulp and Paper Association and the Canadian National Newspapers and Periodicals Association gave an opportunity for makers and consumers of book papers to discuss their difficulties, although matters of specific prices were not dealt with. One suggestion looking to the stabilizing of the industry had to do with the standardization of sizes and weights in the hope of bringing down costs of production. Any step in this direction or in a better understanding between consumers and makers of paper should be in the interests of the industry as a whole and insure more even production and profits over a period in which production must necessarily be greatly curtailed.

TRACTION MEN TO CONFER

Meeting to Discuss Restoration of Credit for Electric Railways

NEW YORK.—Plans for restoring credit of the electric railways and raising new capital for extensions and betterments necessary to keep pace with normal growth and progress are to be discussed by traction men from all parts of the country at a conference to be held by the American Railway Association at Chicago commencing February 10th.

The association represents practically the entire traction industry of the United States and Canada. It is expected that more than 1,000 managers and operators of electric railways will attend.

THE FUTURE OF OTTAWA RAILWAY NOW UNSETTLED

Usual Lack of Consideration for Utility Companies Shown

DEAL IS HELD UP

By Vote of Ratepayers But Public-Ownership Proposal May Again Be Submitted by Council

By Resident Representative.

OTTAWA.—The municipal voters voted almost two to one against giving authority to the city council to apply to the Legislature for power to borrow money for the purchase of the street railway at the expiration of the company's franchise in 1923, at a price to be agreed on by arbitration, according to the agreement between the city and the company, without arbitration, without a further vote of the rate-payers. The Ottawa Journal points out:

The Future of Ottawa Railway

"The defeat of the proposal submitted does not mean that the property owners are opposed to the city acquiring the road and operating it as a municipal system. There was a good deal of opposition to it on the platform and elsewhere among friends of municipal ownership of the street railway. Some believed authority should not be vested in the City Council two years in advance of the expiration of the franchise. Others did not believe the city should be committed to the payment of an unknown price for the road. That many hold that they should know what the road is to cost before they empower the City Council to buy is indicated in the election of Ald. Ellis to the Board of Control, he having taken that stand throughout the year in council."

Regarding an article on the situation which appeared in THE FINANCIAL POST of two weeks ago Manager Burpee of the Ottawa Electric Railway says there is no ground for making a statement that the plant is not in good shape. The statement was that the rolling stock and equipment was getting in bad shape; and that would seem not an unnatural tendency where the future of the company's franchise has been so uncertain; nor would it imply any particular reflection on the company, which has been so uncertain as to its future. It is fair to add that it is certainly not notably bad at the present time; although it is far from perfect.

But Mr. Burpee leaves a misleading impression in regard to the statement made on the attitude of labor. He says:

"The statement that labor is generally for public ownership of this utility in Ottawa is not borne out by the purchase of street railway, which resulted in the by-law being defeated by nearly two to one."

The vote just held was of property owners only. Labor in general had already had its opportunity to vote on the matter, and was overwhelmingly in favor of the road being taken over by the city; but the Legislature ruled that there was no authority to take it over until the sanction of the rate-payers was gained. Local labor leaders have expressed themselves as strongly in favor of the road being taken over. Controller John Cameron on the night of the election stated that he was sorry that the plebiscite had been defeated, as he and all labor representatives were firm believers in civic ownership, which was one of the strong planks of the platform on which he had been elected.

The Ottawa Electric Railway, is under the circumstances, a well conducted concern, with very reasonable fares. The matter is not finally settled by the recent vote, as a fair inference is that the ratepayers want to know the price of the road before they agree to buy, and do not want the council to take action before the proper time arrives. The Journal states that the question of purchase may be again submitted to the ratepayers this year or next.

It is unfortunate that the matter should be left in a state of uncertainty, as the company naturally does not want to expend money on the system so close to the time when they may lose the franchise.—T.M.F.

OAK TIRE AND RUBBER

A report on the activities of the Oak Tire & Rubber Company, Limited, of Toronto, submitted to THE FINANCIAL POST by General Manager F. Low indicates that this company has escaped entirely any adverse effects from the present slump in business generally. On the other hand, Mr. Low points out sales have been increased considerably during the past year, records compiled at the end of the year showing sales for 1920 79.56 per cent. more than for the previous year. The proceeds from the recent stock issue will be devoted to providing the company with more working capital, and extending the plant and equipment at Oakville.

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Company reports ore receipts at Trail smelter for the last week of December amounting to 11,570 tons, while for the year the receipts totalled 384,953 tons.

According to Dun's index, commodity prices at wholesale fell 6.2% during December, compared with a November drop of 6.8%, thus bringing general price level on Jan. 1 down to only 64.2% above 1913 average.

NEW ISSUE

Subscription Lists will close on or before January 22nd, 1921.

$3,000,000

Winnipeg Electric Railway Company

7% Cumulative Preferred Stock

PREFERRED AS TO DIVIDENDS AND ASSETS

Dividends payable quarterly 1st January, April, July and October.
No additional preferred stock can be issued over and above the amount authorized, without the consent of two thirds of preferred stockholders.

PAR VALUE: $100.

Directors

Sir Augustus Nanton, President, Director, Canadian Pacific Railway Co.; A. W. McLimont, Vice-President and General Manager; F. Morton Morse, G. W. Allan, Hugh Sutherland, Geo. Hastings, W. J. Bulman, J. D. McArthur, W. R. Bawlf.

Ca italization

	Authorized	Outstanding
Common Stock	$11,000,000	$11,000,000
7% Preferred Stock (this issue)	3,000,000	3,000,000
Bonds and Debenture Stock (including subsidiaries)		10,245,000

BANKERS: Bank of Montreal. TRANSFER AGENTS: National Trust Co., Montreal, Toronto, Winnipeg. REGISTRARS: Montreal Trust Co., Montreal, Toronto, Winnipeg. Legal opinion of E. R. Parkins, K.C., Montreal; Blake, Lash, Anglin & Cassels, Toronto.

SUMMARY

PROPERTIES:

The Winnipeg Electric Railway Company does a power, lighting and gas business, and operates the entire Street Railway System of the City of Winnipeg, consisting of 120 miles. It has a hydro-electric development of 33,000 H.P. capacity and an auxiliary steam plant of 13,000 H.P. In addition the Company controls a large undeveloped water power capable of 170,000 H.P. development capacity. The franchises of the Company, we consider, are very satisfactory.

ASSETS:

The properties of the Company (exclusive of the value of the large undeveloped water power) were valued by the Public Utilities Commission of Manitoba at $24,369,431. This replacement value is equivalent to over $450 per share for the preferred stock or about $100 per share for the common stock.

EARNINGS:

Average annual net earnings for the three pre-war years ending December 31st, 1914 (*which would have been available for dividends on the present issue of Preferred Stock*) were $1,148,193

Average annual net earnings for the three years ending December 31st, 1919, under very adverse and war conditions (*which would have been available for dividends on the present issue of Preferred Stock*) were $496,637
Preferred Stock dividend $210,000
(Equal to almost two and one half times Preferred dividend).

Estimated net earnings for current fiscal year based on actual figures for first eight months are ... $630,000
(Equal to three times Preferred dividend).

The Public Utilities Commission authorized the Company to increase its street railway fares to 7c. cash or four tickets for 25c., and to increase the price of gas to $1.75 per 1000 feet as from September 1st, 1920, and made the following statement in connection therewith:—"*To insure continuance of a satisfactory service the rate must be such as will be attractive to investors. In my judgment 8% is the proper rate to fix.*"

PURPOSE OF ISSUE:

The proceeds of this issue will be used to retire notes and bank loans. **With these paid off it is expected that the Company will be in a position to recommence payment of dividends on its common stock within a reasonable time.**

PRICE: 90 Yielding 7¾%
Carryin a bcnus of 30% in Common Stock.

Payable as follows: $20 per share on application, $70 per share on February 1st, 1921. Shares carry dividends from January 1st.

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CANADA LIFE CO. CLOSES A RECORD YEAR'S BUSINESS

Total Amount of Insurance in Force Increased by $46,873,000

DEATH CLAIMS DOWN

Average Return Upon Investments Increased to 6.10% From 6.06—Heavy Demand for Life Insurance

Anticipations of an unusual volume of business and profits for life insurance companies operating in Canada, arising out of the tremendous revival in the demand for life insurance in the months following the war and which has been sustained throughout the greater part of the years just closed, have been verified by reports that have so far been made public. The altered outlook at the opening of the new year, following the depression in business, and the gradual increase in unemployment will no doubt have an adverse effect upon the insurance business during the present year, but to what extent it is difficult to determine. There was evidence of a slight diminution in the demand for life insurance at the close of the past year but not of sufficient extent to materially affect the year's returns.

The annual report of the Canada Life Assurance Company just issued reveals a very substantial increase in the volume of business transacted in comparison with the previous period. The amount of insurance in force with this company totals $276,667,000, which is an increase of $46,873,000 over the total for the previous year. The income for the year has also increased by $3,717,000 to $15,729,000. New assurance issued amounted to $63,525,000 or an increase of $17,144,000, while new assurance paid for in 1920 amounted to $58,260,000, an increase of $16,619,000. The surplus earned last year amounted to $2,163,000 against $1,878,000. There is also an increase in the dividends set aside for policyholders of $1,560,000, the amount standing at $2,723,000. Total payments to policy holders amounted to $8,255,000, an increase of $1,907,000. The company's assets have increased by $6,756,000 to $76,108,000, while reserves for the protection of policyholders have increased by $5,598,000 to $63,665,000.

Loss Subnormal

President H. C. Cox, reviewing the activities of the year, draws attention to the fact that as the last of the company's war claims were provided for in the previous year and as the past twelve months had been free from epidemic there had been no unusual factor affecting the death rate adversely. The loss has therefore been subnormal, as the deaths were only 55 per cent. of those expected.

The saving from this source showed a material increase and had an important part in the creation of the net surplus earnings of $2,163,000 for the year. He adds the following comment:

One of the chief contributors to surplus is the interest income. We have been able again to increase the average rate upon investments to 6.10 per cent. Throughout the year it has been possible to acquire securities of undoubted value at prices to yield uncommonly high rates. We availed ourselves of the opportunity to buy $2,000,000 of very excellent mortgages on a basis to yield approximately 8 per cent. net.

To avoid loss incident to the transfer of our funds from Great Britain under present exchange conditions advantage has been taken of the favorable market there and short-term securities with an average yield of 6.45 per cent. to the amount of $1,870,000 have been purchased.

During the past year the company did an extensive business in writing group insurance policies taken out by employers as protection for their workers. Toward the end of the year, the report intimates, the applications for group insurance were coming in at an increasing rate which bid fair for a steadily-increasing volume in 1921.

TORONTO RAILWAY

Toronto Railway moved up to its record level for last year at 65 this week, although the position was not long sustained. This security has been particularly active and strong throughout the week. The improvement is said to be due to the expectation of early developments in the purchase issue by the city of the balance of the company's assets that were not taken over under the negotiations completed late in the fall. The stock is considered to be worth substantially more than the present market price, and a favorable figure is looked for from the arbitration board.

DULUTH-SUPERIOR

Earnings of the Duluth-Superior Traction Company for the last period of December totalled $55,013, as compared with $58,409 for the corresponding period in 1919, a decrease of $3,395 or 5.8 per cent.

For the year 1920 the earnings totalled $1,906,878, a decrease of $16,893, or .9 per cent., from the 1919 figures.

A CUT IN WAGES

Announcement by President of American Woolen Co.

LAWRENCE.—Wm. M. Wood, president of the American Woolen Co., in a statement issued here, announced that a wage reduction of 22½ per cent., affecting the company's 54,000 wage workers, would be put into effect January 17.

"We hope, with prices thus fixed," said the statement, "to make in an unusually strong effort to get business, to attract the trade so that we can sell cloth enough to open all the mills and to run them on full time," the statement said.

HOTEL DEBENTURES TO BE CONVERTIBLE

Four Millions of Bonds For Erection of Large Montreal Hotel

By Resident Representative.

MONTREAL. — A public offering will be made in a few days by N. A. MacDonald & Co., Ltd., of an issue of $4,000,000 of 8 per cent. convertible debentures of the Mount Royal Co., Ltd., of Montreal, at par with a bonus of 40 per cent. of common stock. It is provided that on July 1, 1923, all these debentures are to be converted into 8 per cent. cumulative preferred stock. The proceeds of this issue together with the sale of $3,000,000 of first mortgage bonds which have been underwritten in the United States, will provide for the erection of a hotel near the corner of Peel and St. Catherine streets, in this city, with accommodation for 675 guests, with 28 stores on the ground floor facing on Peel and a new street to be opened up. Provision is made for the erection of a second section which would increase the number of guest rooms to 1,036 at an estimated cost of $2,000,000 more or a total of $9,000,000, making the total bond issue of $4,000,000 and the debentures $5,000,000.

Several points have been raised with THE FINANCIAL POST in regard to this enterprise. One is that the operating company itself, the United Hotels Company, is investing no money in this project. The reply given to this is that the company is an operating company purely and is not investing money in any one of the eighteen existing or suggested hotels in its whole system. The company takes 51 per cent. of the common stock and must make this good or it receives no returns except a mere payment of salaries and wages for its management.

MARITIME TELEGRAPH ISSUE FOR $500,000

Two Firms Will Offer Long Term Bonds of Nova Scotia Public Utility

By Resident Representative.

MONTREAL—An issue of $500,000 par value of 7 per cent. mortgage bonds of the Maritime Telegraph & Telephone Company will be offered to the public at the beginning of next week by Harris, Forbes & Co., Inc., and the Royal Securities Corporation, Ltd. These bonds will run for 25 years, being due in 1945, with principal and interest payable in Canada. As the majority of issues by public utilities corporations of late have been short-term bonds, it will be interesting to note the response to the offering of a long-term 7 per cent. bond.

The Maritime Telegraph & Telephone Company was incorporated in 1910 through the consolidation of a number of other telephone companies, and owns and operates without any competition the telephone system in the Province of Nova Scotia and also controls the telephone system in Prince Edward Island. It is connected also with the New Brunswick Telephone Company system. The company operates under the jurisdiction of the Nova Scotia Board of Commissioners of Public Utilities and the rates charged are those granted by this board. The bonds will be secured by a direct mortgage on the property of the company subject to an issue of first mortgage 6 per cent. bonds now outstanding. The physical assets of the company amount to over $5,000,000. This issue is to provide for extensions to the plant and for equipment through the growth of the company's business.

RAILROAD EARNINGS

For the first week of January earnings of the Canadian Pacific Railway amounted to $3,303,000 as compared with $3,171,000 for the corresponding period in 1920, an increase of $132,000 or 4.1 per cent.

Earnings of the Canadian National for the first week of January amounted to $1,814,057, an increase of $171,849 or 10.4 per cent.

The Grand Trunk Railway shows earnings amounting to $1,958,441, an increase of $389,636 or 24.8 per cent.

STEADY GROWTH MAINTAINED BY IMPERIAL LIFE

Business in 1920 Surpasses All Former Records By Large Margin

ASSETS EXPAND

New Insurance in Excess of Former Record by $5,260,037—Heavy Investments in Govt. Securities

Steady growth and development have been maintained in all branches of the Imperial Life Assurance Company of Canada during the year 1920. The financial statement just issued indicates that the year recently closed has been the best in the company's history, all former records being surpassed by large margins.

A true indication of the extent of this expansion is revealed in the record of new assurance written during the year which amounted to $31,152,071, exceeding the best previous record, that of the preceding year, by $5,260,037. The gain in assurance in force was also the greatest in the company's history, being $23,567,189, and bringing the total assurance in force up to $116,201,347.

This very gratifying report is quite in line with expectations concerning life insurance companies generally, as statements issued from time to time indicated that people were turning to life insurance more than at any time before. The cash income from premiums for Imperial Life was $3,983,735, and from interest $990,066 making the total cash premium and interest income $4,973,801, or an increase of $802,192 over the income for the previous year. The report points out that the rate of mortality for the year was again favorably, the death losses being but 48 per cent. of the expected losses based on a standard table of mortality, and benefits to policyholders amounted to $1,349,866, compared with $1,531,318 for 1919.

Company's Assets

The company's assets have increased during the year by $2,327,290, and at the end of the year amounted to $19,310,403. The average rate of interest on invested funds was 6.33 per cent., which compares with 6.35 per cent. for the previous period. The report points out that in view of the large extent to which assets have been invested in bonds and debentures $5,607,442 being in Dominion and Provincial government bonds, the rate must be regarded as satisfactory. It provided for a margin of security and surplus earnings over the assurance and annuity rate of 3 per cent. Last year's rate compares with 6.51 per cent. for 1918, and 6.72 per cent. for 1917.

The company's reserves at the end of the year's operations totalled $16-018,228 after making a deduction of $90,000 from the reserves on first year business as part of the deduction provided by Dominion Insurance Act, and exceeded by $2,152,268 the reserves held at the close of the previous period. The reserve fund, it is stated, is $915,920 in excess of the amount necessary to satisfy the government's requirements. During the year the sum of $698,614 was used in paying dividends to policyholders and in increasing the amount of surplus which is held to their credit. This sum together with future earnings will be paid out when the respective dividend periods of the policies are completed.

Included in the list of assets are first mortgages on real estate, $5,133,640; bonds and debentures, $9,951,818; loans and purchased policies, $2,366,782. The liabilities include reserves for assurance and annuities, $15,900,925 and policyholders' net divisible surplus $2,155,857.

INTERNATIONAL PAPER

The International Paper Company plans production of 50,000 tons during the present year, and is practically assured of a substantial margin of profit since prices are fixed quarterly. The output for 1921 has been contracted for while in the process of manufacture, thus eliminating the possibility of plant curtailment since plant capacity is only equal to the volume now under contract. Completion of the plant at Three Rivers, Quebec, is expected to add 72,000 tons to the total output for the year. It is estimated that earnings for the year ran from $25 to $40 a share on the outstanding common stock after taxes and depreciation.

INTERNATIONAL PETROLEUM

The International Petroleum Company reports an increased production of crude oil in its Peru fields for 1920. Output for the year totalled 266,923 tons, compared with 248,554 tons in 1919. It is believed that the output for the present year will be considerably larger than last year's record because the company has ben able recently to secure delivery of pipes and other materials that have been on order. The Peru field has been in operation for the past twenty-five years.

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is a long time in the history of this young Canada of ours, yet during all that period we have been safeguarding and assisting in the increasing of the savings of many thousands of Canadians. The steady progress the Corporation has made bears testimony not only to the confidence investors have in this old institution, but also to the unexcelled facilities we extend to depositors.

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TOTAL OF 14.84 P.C.

Including St. Lawrence Dividend—$1,125,892 vs. $1,640,531—Liquid Position Strong

By Resident Representative.

MONTREAL.—The annual statement of the Dominion Bridge Company, although apparently showing a marked decrease in profits over 1919, $1,125,892, as compared with $1,640,531,—and only $964,530, or 14.84 per cent. available for common dividends as compared with $1,343,305, or 20.66 per cent. one year ago, in reality indicates at least a better record for the operations of the year 1920 than for 1919.

Account must be taken of the fact that for 1919 there was added to the total profits the sum of $770,000, which came directly through the St. Lawrence Bridge Works from the old Quebec bridge contract, the balance, that is, of a total of $1,870,000 profits received in earnings from this account, and mainly accruing from previous years. This in reality left only $573,305 available from 1919 itself, or 8.8 per cent.

In the case of the year 1920, there was added as dividends from St. Lawrence bridge the sum of $265,797, which, if deducted from $964,530, would leave a balance of $698,733 available for dividends from the Dominion Bridge Company's operations in themselves, or 10.75 per cent. on the common, as against 8.8 per cent. one year before. Hence, relatively, the year 1920 has not been even as unkind to the company as was the previous year.

Two Subsidiaries Less

With the present year's report the St. Lawrence Co. is wound up and will hereafter appear neither as an asset nor a liability or a payer of profits or or dividends. It is interesting to note that another of Bridge subsidiaries, Dominion Copper Products, has disappeared, land and buildings and equipment having been disposed of, but a new subsidiary has been formed, the Canadian Tillsoil Farm Motors, Limited, with a share capital of $50,000 in 8 per cent. cumulative preferred shares, and 10,000 common shares of no par value, all of which, it is announced, are owned by the Bridge company.

This company was formed to market a farm tractor produced by another subsidiary, Robb Engineering Works, which was not in a position to do so, as the field chiefly was the prairie provinces. Hence, in the last couple of years, the Bridge company has seen two new subsidiaries arise, including the Dominion Engineering Works, and two die.

Earned 82 Per Cent. in Four Years

Taking the record of the past four years, it is seen that the total earnings of the company available for common dividends have been equivalent to 82.4 per cent., and from this there has been paid out in dividends some 34 per cent., leaving a balance of 48.4 per cent. Of this balance there came from the Quebec bridge contract a total of $1,870,000, or 28.7 per cent., and from dividends from the St. Lawrence Bridge Works this past year 4 per cent., leaving a net balance over dividends paid out on Dominion Bridge account proper of 15.7 per cent. With the previous earnings, and this past year's dividends, the Quebec bridge contract represented some 32.7 per cent.

Four Year's Record

Total avail. in 4 years	82.4%
Paid out in divid.	34.0%
Balance	48.4%
From Quebec Bridge prof.	28.7%
Dividends St. L. B. Co.	4.0%
Earnings Dom. Bridge proper	49.7%

Profit and Loss Account

The profit and loss accounts for the past three years compare as follows:

	1920	1919	1918
Profits	$1,125,892	$1,640,531	$2,477,009
Less res., depr., etc.	161,361	297,225	611,291
Bal. avail. for divid.	$ 964,530	$1,343,305	$1,865,718
Divid.	520,000	520,000	520,000
Surp. for year	$ 444,530	$ 823,305	$1,345,718
Prev. bal.	3,848,613	3,025,308	1,679,590
	$4,293,143	$3,848,613	$3,025,308

Improvements in Balance Sheet

The balance sheet shows valuation of plant reduced from $4,461,326 to $4,115,863, and investments in other companies reduced from $2,625,187 to $2,104,290, a total decrease in the two items to $6,220,153 from $7,086,513, or over $800,000. A mortgage indebtedness of $84,442 one year ago is wiped out, as also bank loans of $336,000.

The working capital account shows a marked improvement of close to $1,300,000, as the following items show:

Working Capital Account.

	1920	1919
Cash	$ 391,451	$ 192,253
Dep. on tend.	106,341	148,909
War bonds	11,247	698,625
On contracts	1,058,087	1,115,515
Acct. and bills rec.	1,903,624	1,526,523
Inventories	3,115,745	2,114,902
	$6,586,295	$5,796,797
Current Liabilities—		
Accts. Bills pay.	$1,318,340	$1,463,391
Divid. due	130,000	130,000
Bank loans	......	336,000
Total	$1,448,340	$1,929,391
Net work cap.	$5,137,955	$3,867,406

In a review of operations for the year, the directors state that the plants at Lachine, Toronto and Ottawa have run below normal capacity. The liquidation of the St. Lawrence Bridge Co. was completed and capital invested in this was returned.

CANADA BREAD PLANT NEARS COMPLETION

Will Expedite Business in Each End of City—Flour Prices Down

Reports on the operations of the Canada Bread Company indicate that the new plant which is in the course of construction on Danforth avenue, Toronto, will be completed some time this coming spring, probably in May next. It is expected that this plant will materially improve and expedite the company's business in the east end of the city, where there is a large and growing population. The long drive from the company's Avenue road plant and the loss of time involved has had an important bearing on profits. This loss will be overcome when the plant is in operation.

This company has made one reduction in the price of bread within recent months, from 13 to 12 cents a loaf. This reduction has kept pace with the decline in the price of flour. Last year flour prices soared to a high of $16 per barrel, although, fortunately, Canada Bread was not required to buy at this figure. The highest price paid by the company was $14.85 per barrel. The present price runs about $11.25. Approximately 180 loaves of bread are made from one barrel of flour, and it therefore requires that the price of flour undergo a substantial reduction before the price of bread can be lowered. A reduction of one cent in the price of a loaf of bread is on a par with $1.80 off the price of a barrel of flour.

CONSUMERS' GAS

Stock Issue Largely Oversubscribed —To Provide for Extensions

No announcement has been made of the prices paid by the successful tenderers for the block of 12,786 shares of Consumers' Gas stock recently offered for sale. Manager Arthur Hewitt intimates that this action has been taken in order to avoid the creation of dissatisfaction among those who had paid a higher price than others, but in every case, he points out, only the highest tenders were accepted. In a statement to the press, he intimates that the issue was largely over-subscribed. Considering the rate of return on recent issues of government and municipal bonds, he said, the price realized for the issue was considered fairly satisfactory. The new capital will assist the company in providing necessary extensions and will enable the company to take care of the natural increase in business incident to the city's domestic growth, as well as to cope with the large call that has arisen for gas for industrial purposes.

CALGARY RAILWAY CO.

Revenue Grows During December— Deficit for Year Over $20,000

CALGARY.—Revenue from the operations of the Calgary Street Railway for the month of December amounted to approximately $85,000, a substantial increase over the returns for the other months of the year. The deficit for the year will run between $20,000 and $25,000. The surplus of the electric light department amounted to $50,000 for the year, which, together with the balance in the net revenue account remaining at the end of 1919, amounting to $28,060, brings the total surplus available up to more than $78,000. Of this amount the city commissioners recommend the city council that $40,000 be transferred to the surplus revenue reserve, covering expenditures in these accounts since the last allotment was made. This arrangement is necessary, it is understood, to pay for equipment for the system, which was paid out of general revenue account over a period of years.

BARCELONA FACED PROLONGED LABOR UNREST IN 1919

Net Earnings Decline From Returns From Previous Year

OUTLOOK UNCERTAIN

Company's Position Improves in Some Directions—Plant Extensions Completed, —Capital Increased

The annual statement of the Barcelona Traction Light & Power Company, covering the company's operations for the year ending December 31, 1919, shows net revenue amounting to $2,194,353, compared with $2,516,920 for 1918, and $2,354,964 for the previous period. During the year reviewed in the report, the operations of the company were handicapped by widespread and prolonged labor unrest, not only within the ranks of the company employees, but more especially in connection with the manufacturing interests of the city of Barcelona.

President E. R. Peacock makes special reference to a strike which originated in the office of the Ebro Irrigation Power Company, one of the company's subsidiaries, and spread to the other public service companies and finally became general throughout the city. A general lockout was declared on November 25, 1919, which continued in force until February 10, 1920. The stoppage of all manufacturing had a serious effect upon the revenue of the company, the president continues. Labor still continued unsettled, and was making constant demands for higher wages. The cost of living showed little signs of reduction. So long as the labor and financial difficulties continued, he added, the development of this company's earning power must necessarily be retarded.

Outlining the construction work undertaken during the year the president stated that work on the dam and power house at Camarasa continued steadily, and in spite of the shortage of skilled labor two units were brought into operation in the latter half of 1920. This new plant added approximately 34,000 h.p. to the available hydro-electric power of the Ebro Company. Three more units of 17,000 h. p. each could be installed as needed. The hydro-electric power of the Ebro Company now available amounts to some 130,000 h.p. The operations of the Ferrocarriles de Cataluna Company have again been satisfactory, the earnings from the Tarrasa extension having exceeded the estimates. The increased carrying power of this company's with the new equipment which recently arrived from the United States and which is now being assembled, should add materially to the earning power of the company.

There was a decrease of 1,055,182 pesetas in the gross earnings of the combined enterprises of the companies in Spain over those for the year 1918, and in the net earnings of 1,191,269 pesetas. The amount of underlying bond interest chargeable to revenue was greater in 1919 than in 1918, owing to the payment in cash of the interest for the whole year on one of the bond issues of the Barcelona Company, which had previously been satisfied in notes. The surplus earnings after providing for underlying bond interest, redemption funds and taxes were 1,781,968 pesetas less than in 1918.

The consolidated balance sheet shows that assets have increased from $117,851,688 to $122,761,707 during the year 1919. There was an increase of more than $3,000,000 in capital accounts, the total now standing at $114,171,513, as against $110,984,182. Floating assets stood at the end of the year at $7,974,998, against $6,867,505. Floating liabilities stand at $5,134,501, compared with $5,569,748. The revenue account shows dividends, interest and other receipts amounting to $2,242,691, less reserve of $495,678 against interest charged to controlled companies, and the balance together with $36,282 in miscellaneous receipts, and a balance of $618,031 brings the total up to $2,401,327.

TO PAY IN U. S. FUNDS

MONTREAL.—The Great Eastern Paper Company has secured a change in its charter enabling it to pay dividends in United States funds. This applies to Canadian holders as well as those of the United States. In the original clause it was stipulated that United States shareholders were to be paid in currency of that country, but all others in Montreal in Canadian currency. The new rule applies while "during such time as United States currency is at a premium in Canada."

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THE DEUTSCHE BANK

BERLIN.—By an increase of its capital from 275,000,000 marks to 400,000,000 the Deutsche Bank again becomes the bank with the biggest capital in Germany.

Sixty-eight and three-quarter millions will be offered to present shareholders at a premium of 120 per cent. so that the bank will obtain for that portion 151,250,000 marks. The remaining additional capital will mainly consist of shares given in exchange for those of three other banking concerns, the Hanoverian Bank, a Brunswick private bank, and a private bank of Gotha, which the Deutsche Bank, already possessing most of their stock, will now buy up.

BIG PROBLEMS BEING FACED BY MINES OF NORTH

Price of Silver and Wages Big Factors in Present Operations

MINES ARE CLOSING

Shortage of Power is Only One Of the Difficulties—Costs Must Come Down

By Resident Representative.

COBALT.—There are a dozen good reasons to boost the north for every one that might justify a knock. For this reason reference to the "blue ruin" tales have so far been studiously avoided. However, there are facts in connection with many properties which interest readers of THE FINANCIAL POST and which they should know. They may not make the bright picture many would like to see painted, but when it comes down to questions relating to finances or investments, the cold, hard, conservative facts are the only sure guide.

With these facts in mind, it is proposed to give as accurate an outline as possible of the situation in the silver and nickel camps, Sudbury and Cobalt. Everyone is preaching about gold and avoiding these other camps, but there is a powerful lot of money tied up in the silver and nickel industries, and those investors should be kept informed of the trend of events.

About December first the Temiskaming mine closed. The Beaver, which had been closed for some time prior, had just resumed work. There was a general feeling at that time that Christmas would see most of the silver mines closed. This did not come true, but since then the Beaver has closed again as has also the McKinley-Darragh. That for the big properties. Many small operators such as the Oxford, Cobalt and Lumsden have suffered materially in their work for months.

The Power Shortage

The reason given for the curtailment is the power shortage. That is the big reason, but there are two other contributing causes, low silver prices and high wages. The latter two go hand in hand. If silver prices ranged high the operators would operate and pay the high wages. But silver is down and with the present high wages it takes pretty careful mining to show a profit. Therefore it is not surprising to see these mines close. They are husbanding their limited resources in silver and when wages are lower or silver is higher and power more plentiful they will resume. It will not hurt the property to be closed, if by waiting a while they can make a much bigger profit on the silver than at present.

The Wage Factor

Now as to the wages question. It is serious for the miners; and this stands for both Cobalt and Sudbury. Prices in both these camps have hardly moved downward, if at all. Then while this condition continues it is pretty hard for the miner to accept a cut when he cannot make both ends meet. The mines when they cannot make ends meet close down, but the miners cannot close down on their numerous little bairns at home.

Today there are nine mines operating in Cobalt and the force of employed miners has been reduced by 800 to 1,200. The present operators are, Nipissing Mining Corporation, LaRose and its two properties, University and Princess, Coniagas, Kerr Lake, Crown Reserve, O'Brien, Bailey and Ruby Silver at North Cobalt.

There may be further tie-ups. The power situation at present looks to be safe until late in February, at least.

The Nickel Mines

In the nickel mines the situation is much the same. Operations have been curtailed to the point where, in comparison with former operations, they mean nothing.

The big depressing factors for this industry are two in number, lack of market for its product and the fact that there is enough nickel ahead to supply the world demand for a couple of years, and high costs.

Now it is not the easiest thing in the world to get accurate and authentic information about the big nickel corporations. Even the Government found this out. There are all kinds of rumors floating about in regard to the International Nickel, Mond Co. and the British American. The International Nickel is operating with about 700 hands, about one-third its normal force. The other two are seriously curtailed. The International is not shipping and so the other two have what market there is between them, and finances are not too plentiful.

Wages are still high and the cost of living still around the peak. Living and rents in Sudbury are high, yet it seems that a material cut in costs must come before operations on any scale will go ahead.

WAGE CUT IN NORTH

Labor Conditions from Operators' Standpoint Are Improved

COBALT.—Mine managers in this district have decided to reduce wages by 75 cents a day, dating from February 15th next, it is announced here. This move will no doubt be followed by the gold camps, where it has been felt for some time that costs would have to be reduced. The decision of the men on this matter has not yet been announced, but it is felt that they will accept the new rate, particularly if other camps take similar action. The north country is now flooded with men and bush wages have dropped steadily since November.

NEW FINANCING WINNIPEG RAILS

General Manager Discusses Dividend Outlook and Explains Purpose of Issue

By Resident Representative.

MONTREAL.—Accompanying the offering of $3,000,000 of 7 per cent. cumulative preferred stock of the Winnipeg Electric Railway Company at 90, with a bonus of 30 per cent. of common stock, is a letter from the vice president and general manager, A. W. McLimont, who estimates net earnings for the past year as $630,000 in three times the preferred dividends. He adds:

"With the floating liabilities of the company paid off from the proceeds of the sale of this preferred stock, it is expected that the company will be able to recommence payment of dividends on the common stock within a reasonable time."

The purpose of the issue is thus explained:

"Prior to the war the company had entered on a plan of extension required by the growth of Winnipeg. This work was being financed by the sale of debenture stock in Great Britain, but the war put an end to this and the construction program, proceeded with in part, was financed by the sale of short term securities and by bank loans. It is to retire this indebtedness that the preferred issue is being made.

"The Public Utilities Commission of Manitoba set a replacement value of over $24,300,000 on the properties of the company exclusive of the large undeveloped water power. Fares and gas prices have recently been increased.

"After the present financing is effected the capitalization of the company will be as follows:

	Outstanding
Common stock	$11,000,000
Preferred stock	3,000,000
5% bonds	4,711,000
4½% pref. deb. st.	4,380,000
Bonds of subsidiaries	1,154,000
Total, apart from com.	$13,245,000
Total, with com.	$24,245,000

"The company besides operating the street railway in Winnipeg and surrounding towns, disposes of light, power and gas. The street railway system consists of 130 miles; at Lac du Bonnet there is a hydro-electric development of 33,000 h.p. and an auxiliary steam plant with a capacity of 13,000 h.p., and the water power at Great Falls on the Winnipeg River is estimated as capable of 170,000 h.p. development.

RIORDAN PAPER CO.

The sulphite mill of the Riordan Pulp and Paper Company at Merritton has closed for an indefinite period, throwing several hundred men out of work. Only what staff is absolutely necessary is being kept at work. The company's warehouses here are said to be filled to the roof with the sulphite product.

MINING STOCK QUOTATIONS

Week ending Jan. 11.

	High	Low	Close	Sales
Adanac	2⅛	1¾	1¾	14000
Apex	2½	2	2½	4300
Atlas	21	16	19	2500
Bailey	4½	4¼	4½	31000
Beaver	30	26	30	4100
Cham-Ferland	6	..	..	4000
Con. Smelt.	18½	17¾	18	1040
Coniagas	2.00	1.85	2.00	875
Crown Res.	16½	16	16½	3400
Dome Ext.	50	43	45	2110
Dome Lake	2½	2¼	2½	3500
Dome Mines	13.75	12.00	13.00	310
Gt. Northern	1¾	..	..	1000
Gold Reef	3¼	2¾	3¼	17500
Hargraves	3	1¼	2½	51000
Hillcrest	64	..	..	50
Hollinger	5.85	5.60	5.85	7370
Keora	21	15¾	20	118800
Kirk. Lake	45	40	44	2800
La Rose	25	21	21	1920
Lake Shore	1.06	1.03	1.06	1750
McKinley	28	23	31	10800
McIntyre	1.85	1.80	1.81	7197
Mining Corp.	1.05	1.00	1.05	1800
Moneta	10	9½	10	2500
Newray	5	4½	5	22500
Nipissing	9.00	8.60	9.00	1100
Ophir	1¾	..	..	4000
Peter. Lake	10¼	9	10¼	2200
Porc. Crown	18½	16½	18	8300
Preston	2¼	..	..	1000
Provincial	26	..	..	1200
Schmacher	20	18	20	1500
Teck Hughes	11	9	11	4300
Timiskaming	26	25¼	25¼	1650
Thom. Krist	7¼	6¼	7¼	13400
Trethewey	17	16	17	8350
V. N. T.	20½	17½	20½	11500
West Dome	8¾	6½	7	60400

CONTROVERSY ON ASSOCIATED GOLD FIELDS REOPENS

Diverse Opinions on Property—Government Report Suggested

NEWS OF THE MINES

Bailey and Ruby Report Spectacular Finds in Silver—Litigation Over Orr Property Ends

By Resident Representative.

COBALT.—That old "bone of contention," the Associated Gold Fields of Larder Lake, is again to the fore. The knockers are knocking and the boosters are boosting. The annual meeting of the company provided the opportunity. It is hard to see daylight. If one side is correct, a great injustice is being done a big property. If the other side is right, there will be a lot of disappointed people. There are many points about this enterprise, and they have all come out in the daily press, which should make all think before venturing to enter into it as an investment. About the best way to clear up the question as to the merits or demerits of the property would be to have Dr. H. C. Cooke, the Dominion Government geologist, who was with the company for the best part of 1920, issue a report. In the meantime, the present controversy, like previous ones is productive of nothing.

Two mines report spectacular finds of silver; Bailey and Ruby. The former find was made on the 240 level. It is a high-grade discovery of importance. The vein is two inches wide and the milling rock is good. The Ruby find was at the juncture of two veins and the high-grade runs 3,000 ounces.

It is good news that the litigation over the Orr property in Kirkland Lake is at an end. The settlement opens the way for proceeding with the proposed merger with the Teck-Hughes.

The Kerr Lake may take over the option now held on the Hargreaves silver mine, which property adjoins theirs and with which their No. 3 vein dips. The Kerr Lake output for November was 44,253 ounces. There has been a steady falling off, February being the last month to go over the 100,000 ounce mark.

The Kirkland Lake Gold has just made a shipment of $30,000 worth of gold bullion.

The Regent operating at Elk Lake is hauling out a shipment to the railway for shipment to Cobalt.

A preliminary report on the Miller Independence at Boston Creek shows that the company had a good year. Many new developments, adding to the one exposed in the property, were made and extensive additions to the plant made.

The Lake Shore shaft is now at the 600 mark. A cross cut to hit Vein 2 will be run at this level before sinking to the 800 level is resumed.

B. C. ELECTRIC RAILWAY

Increased Revenue from Operations Offset by Higher Expenses

VANCOUVER. — Passenger traffic carried on the mainland lines of the British Columbia Electric Railway Company during the year 1920 almost equals the record of the peak year in 1912-13. The number of passengers carried on these lines during the year was in the neighborhood of 58,700,000, which compares with 59,635,382 persons carried during the year ended June 30, 1913. While revenue returns are not yet available, Manager George Kidd calls attention to the fact that the increase in wages during the year has more than offset the increase in revenue.

LONDON STREET RAILWAY

Rereipts Barely Adequate to Meet Requirements—Gloomy Outlook

LONDON, Ont.—A. B. Ingram, vice-president of the Ontario Railway and Municipal Board, stated here this week that the finances of the London Street Railway since the board took over the operation of the road, had been barely sufficient to meet unavoidable expenditures, and the prospects for the company were not any too bright. He intimated that the Railway Board would willingly hand over the street car system to any authority that would assume the responsibility. A statement covering the period of operation is being prepared for publication.

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Prosperity Will Follow a Basis of Values Accepted Generally

SIR EDMUND WALKER

So Addresses Shareholders of Canadian Bank of Commerce—A Sermon Against Extravagance in Buying

The importance and necessity of a readjustment of retailers' prices to a basis of present values was emphasized by Sir Edmund Walker, president of the Canadian Bank of Commerce, at the annual meeting of the shareholders of the bank this week. This is a point which should be particularly noted by bank managers, for, as THE FINANCIAL POST has already emphasized, the bank manager should take a direct interest in the affairs of the retail merchant in this connection. The banks generally are showing a disposition to assist the retailer to market his goods to the best advantage but it is a mistake to ignore the forces which are at work to bring about lower prices. Sir Edmund emphasized that all prices "whether of commodities or of labor" must be reduced to a more reasonable basis; the effect of the world's lower prices, for farm products was already plain to all. And "when this readjustment has reached the retail shop, and a new basis of values has been generally accepted, a genuine prosperity will arise throughout the world in which we shall have a large share."

Sir Edmund delivered a sermon against the sin of extravagance and willingness to create debt. In this connection he reviewed the foreign trade situation, pointing out how imports had increased at an enormous rate during the first six months of the present fiscal year so that a favorable trade balance had been turned into a substantially unfavorable one. On this point he continued:

"It is painfully evident, however, that we waste breath by setting out these figures year after year. Nothing but inability to buy will check such fatuous extravagance. Is it to be wondered at that people coming to Canada from Great Britain are shocked and profoundly astonished at such lavish expenditure of money at a time when the world is so full of real trouble?"

Sir Edmund intimated that if the United States puts a tariff barrier against Canadian products then Canadian purchases in the United States would have to be curtailed accordingly. In dealing with the question of taxation he advocated a turnover tax of one per cent, on sales and criticized the excess profits tax from an economic and business standpoint.

Sir John Aird intimated in connection with the report of earnings that the process of deflation would be accompanied by less profitable banking conditions for a time at least. He reviewed the bank's expansion during the year, particularly referring to activities in foreign fields with new branches at Havana, Kingston, Jamaica and Bridgetown, Barbados, while steps were also being taken to establish at Rio de Janeiro and Port of Spain, Trinidad. Speaking further of foreign relations he pointed out that while Canada's exchange problems were difficult they were not so trying as those of some other countries. He instanced the position of Australia and her inability to raise funds in London as has been outlined in these columns; also the situation of India, New Zealand and South Africa which is similar but no so pronounced.

Weekly Bank Clearings

(In comparison with same week last year.)

Eastern Cities

	Jan. 6, 1921.	Change	%
Toronto	$100,209,005—	$14,739,186	12.9
Montreal	133,097,882—	35,143,014	20.8
Ottawa	13,484,676—	2,192,767	16.2
Hamilton	7,254,570—	777,856	9.6
Quebec	5,186,252—	1,049,578	15.8
Halifax	4,551,178—	2,461,810	35.1
St. John	3,478,420—	517,907	12.9
London	3,346,877—	1,492,994	30.8
Windsor	2,995,812+	438,100	17.1
Brantford	1,526,604+	373,392	32.3
Sherbrooke	1,167,124—	393,871	25.2
Peterboro	961,709—	356,662	27.0
Total, East	$277,760,109—	$57,414,153	17.1
Moncton	857,596		
Kitchener	994,845		

Western Cities

	Jan. 6, 1921	Change	%
Winnipeg	$ 63,557,417+	$ 5,633,030	9.7
Vancouver	13,998,522—	2,634,341	15.8
Calgary	9,383,343—	847,337	8.2
Edmonton	5,571,449—	2,527,548	31.2
Saskatoon	2,310,631—	412,310	15.2
Moose Jaw	1,774,326—	486,974	21.5
Lethbridge	882,539—	183,270	17.2
Ft. William	1,340,257+	175,900	15.1
Brandon	843,153—	153,213	15.3
N. Westminster	645,219—	38,788	5.6
Prince Albert	679,929+	104,481	18.1
Medicine Hat	541,437—	130,911	19.4
Total, West.	$101,528,222—	$ 1,501,281	1.4
Grand total	$379,288,331—	$58,915,434	13.4

DOMINION

The Dominion Bank announces the opening of a branch at the corner of Cherry and Commissioner Streets, Toronto, to be known as "Eastern Harbor Branch."

COMMERCE

J. C. Munro, manager of the Cayuga branch of the Canadian Bank of Commerce, has been appointed assistant inspector of the bank for Ontario, with headquarters at Toronto. Mr. Munro will be succeeded at Cayuga by F. G. Kent, of Dashwood.

MERCHANTS

The Merchants Bank announces the following appointments: S. J. Boyd, manager at Calgary; R. V. Campbell, manager at Edgerton; T. H. Bryson, accountant at Tilbury; L. A. Laberge, accountant at Ormstown; C. F. Lemieux, accountant at Sherbrooke.

ROYAL

A new branch of the Royal Bank has been opened at Port Credit.

A. W. Cameron, manager of the Prince Rupert branch of the Royal Bank, has been appointed assistant manager of the main office in Vancouver, to succeed R. M. Boyd, who has been transferred to the East End branch as manager.

G. M. Sinclair, manager of the branch at Kamloops, has been appointed manager at Prince Rupert.

BIG INCREASE IN UNION BANK PROFITS

Report of Very Successful Year Presented to the Shareholders

A remarkable increase in profits is shown in the statement of profit and loss which was presented with the balance sheet to the shareholders of the Union Bank of Canada at the annual meeting at Winnipeg this week. The net figure of $1,603,842 compared with $932,256 in the report of a year ago. Of this amount $160,000 represented bonuses to shareholders and $798,234 was paid in dividends. From the surplus including $198,222 brought forward the sum of $400,000 was transferred to rest account. Features of the profit and loss statement compare as follows:

	1920	1919
Brought forward from previous year	$ 198,222	$ 126,298
Net profits	1,603,842	932,356
Prem. on new stock		1,781,170
	$1,802,065	$2,839,752
Dividends	798,234	568,334
Bonus to shareholders	160,000	....
Transferred to rest acct.	400,000	2,000,000
Contribution to officers' pensions	50,000	10,000
Other contributions	15,000	5,000
War Tax on bank notes	79,536	58,172
Balance of profits carried forward	149,296	198,222

The addresses of the president, John Shaw gave out that never during the past fifty-six years that the bank has been doing business has its position been so sound nor the prospects for the future so bright. Mr. Shaw in the course of his address emphasized that this was not the time for doubting the future. Canada, as a whole, had much to be thankful for, and there is on all sides every indication of a very prosperous future.

The appointment of W. R. Allan as vice-president, and the selection of G. M. Black and D. W. Finnie as directors, met with the approval of the shareholders.

STERLING CONTINUES UPWARD MOVEMENT

Reaches a Quotation of $3.76 During the Week—New York Funds React

The conspicuous strength displayed by sterling throughout the week has been the feature of the exchange markets. Sterling advanced from a quotation of $3.60½ at the commencement to $3.76, the highest quotation in several months. There was reaction at the close under a falling demand to $3.72½. Continental exchanges generally were distinctly firmer in tone this week, francs also settling from a high of 16.84 to 16.28 at the close.

New York funds continued the reaction of last week and reached a premium of 14 per cent., firming up at the close, however, to 15. The following are the fluctuations in stering, francs and New York funds:

New York Funds

Jan. 6.—New York funds moved down from 17 asked at the opening to 16¾ and 16½. Rallied at close to 16 11-16 and 16¾. Final sale at 16⅝.

Jan. 7.—Funds opened at 16½, moved to 15 15-16, at which figure markets closed.

Jan. 8.—Funds opened at 15⅞ bid, sales at 15 15-16, 16¼, 16⅜, reaching at close to 16 3-16 and 16 1-16.

Jan. 10.—Opening quotation 16, sales down to 15⅝, 15 1-16 and 15½ at close.

Jan. 11.—First sale at 15 1-16. Funds moved down to 14. Later sales at 14⅞ and 14⅝ at close.

Jan. 12.—Funds opened at 14 9-16. Sales at 14¾, 15, 15⅛ and down to 15 at close.

Sterling and Francs

	Sterling		Francs	
	Demand	Cables	Demand	Cables
Jan. 6	$3.60½	$3.61¼	16.63	16.61
Jan. 7	3.63¾	3.64½	16.84	16.82
Jan. 8	3.63½	3.64¼	16.79	16.77
Jan. 10	3.70½	3.71¼	16.82	16.80
Jan. 11	3.76	3.76¾	16.34	16.32
Jan. 12	3.72½	3.73¼	16.28	16.26

CONDITIONS ARE UNSATISFACTORY ON CUBA ISLAND

Reaction Being Suffered Now Following Sugar Boom

TRADE REDUCED

Business With Canada Shows Effect of Conditions—Moratorium Will Be Gradually Lifted Month by Month

By Resident Representative.

OTTAWA.—News received at the Department of Trade and Commerce from Cuba is to the effect that conditions there are far from satisfactory. As Canadian financial and commercial interests there are large and growing, a check to the prosperity of the island will be reflected here. The advance in raw sugar from three to 23 1-2 cents a pound, with the consequent prosperity, induced an orgy of speculation, extension, and extravagance as great in its way as the real estate booms in Canada. The native bankers (for the Canadian and American banks were more cautious) advanced large sums against the security of sugar up to 15 cents a pound. It is said that over $250,000,000 was advanced in this way, and when the price dropped even below the margin price per pound advances continued to be made. On October 18th the government had to declare a moratorium which is still being extended and taken advantage of widely. Meanwhile the sugar industry requires a hundred million dollar loan, and is hoping to secure it from the United States.

Trade Reduced

Meanwhile Canadian trade with the island is being interfered with very considerably. Last year Canada sold about $7,597,000 worth of goods exported direct to Cuba, and a very much larger amount via the United States. Our importations were nearly $35,000,000. The expectation is that the moratorium will be gradually lifted by an ascending scale from ten per cent. a month until Cuba receives payment for the new crop, which is likely to be delayed as there are few of the centrals grinding at the present time. Canadian exporters who have sums outstanding in Cuba will probably not be able to collect before the early summer when the bulk of the crop should have reached the foreign markets.

Among the principal exports to Cuba for the seven months ending October 31st were the following: Whiskey, $192,444; oats, $148,000; rice, $113,000; malt, $453,000; flour, $292,000; potatoes, $400,000; hay, $111,000; fish, $670,000; paper, $96,000; lumber, $300,000; ammonium sulphate, $186,000.—T.M.F.

FAILURES IN BRITAIN

Returns for 1919 Much Below Pre-War Levels

Detailed statistics issued by British Board of Trade covering business failures in Great Britain disclose that number of insolvencies and amount of estimated loss to creditors in year ending Dec. 31, 1919, were much below pre-war returns. In 1914 there were 4,643 failures in England and Wales involving loss of 8,155,673 pounds to creditors. The advent of war and consequent stimulus to essential business brought about speedy reduction in number and amount of trade disasters until in 1918 a low record was established. In that year there were only 826 failures with total estimated loss to creditors of 921,792 pounds.

FOR UNEMPLOYMENT

Montreal Committee Offers Suggestions to Employees of the City

The Citizens' Unemployment Committee, of Montreal, recently formed for the purpose of assisting the growing army of unemployed in Montreal in finding work as soon as possible has issued a circular to the employers of the city, asking that each employer of labor make a careful survey of his establishment and see if it is not possible to absorb some of the surplus labor, even if only temporary. The committee offers suggestions of ways in which aid might be rendered, as follows:

1. That wherever possible employers refrain from working overtime in order that a larger staff may be employed.

2. That rather than reduce their staffs and thereby add to the number of unemployed, employers of labor reduce the numbers of working days per week or shorten the hours per day.

3. That as far as possible "Made in Canada" goods be purchased.

ANOTHER PLAN TO DEVELOP POWER ON ST. LAWRENCE

Dream of Engineers May Finally Become a Reality

SOME OF PROBLEMS

Locks Would Have to Provide for Navigation and Dams Withstand Heavy Pressure of Ice

From the New York "Times."

For generations a dream of the engineers of the country has been the harnessing of the St. Lawrence River. Like the building of the Panama Canal, it remained in the dream stage for many years. Long dismissed by the cautious as a task too huge to be attempted, the St. Lawrence project is now being seriously considered.

For the last eight or nine months hearings have been held in different parts of the United States as to the best use for navigation and power purposes of the St. Lawrence River. These hearings have been held before the International Joint Commission, composed of three members from the United States and three Canadian members, who were originally appointed for the purpose of adjusting all differences between the United States and Canada respecting boundary streams. The Commission has now before it for consideration recommendations that, if adopted, will mean, probably, the eventual building of five dams in the St. Lawrence (two internationally located and three wholly in Canada), which will produce, when completed, 5,000,000 horse power, 4,000,000 of which will be available for use in Canada and 1,000,000 in New York State and vicinity. The cost of construction is figured at approximately $1,300,000,000.

The projected dams and power houses at different points in the St. Lawrence will, according to experts, release within a radius of 300 miles (which includes most of New York State and Northern New England, as well as large areas in Canada), power at less than half the cost of present steam power, thus relieving the coal situation and providing new resources of power for lighting systems, traction systems and all kinds of manufacturing undertakings. Instead of the present slack water navigation between Montreal and Lake Ontario, and the score of locks now in use along the 120 miles of the St. Lawrence, there will be only six locks, making vast open stretches for speeding up navigation.

Through this series of dams and power houses it is believed that it will be possible to increase the flow of the St. Lawrence River by controlling the level of Lake Erie. Where now a minimum of 150,000 cubic feet of water per second must be figured on, this vast project undertakes to "balance the flow" of the St. Lawrence River, using Lake Ontario and Lake Erie as reservoirs, and thus make available for navigation and power approximately 200,000 cubic feet per second.

Of course the engineering difficulties to be met with are gigantic. The first steps have already been taken in using diamond drills to find rock bottom on the river bed, approximately sixty feet below the surface of the water. The depth of foundations at the proposed sites and the general difficulties incident to uncovering these foundations are matters which complicate the undertaking.

Another problem to be met is that of ice on the river. The proposed plant must be so designed that it can safely and automatically handle as much as 3,000 tons of ice per minute, an amount equal to a trainload of ice three-quarters of a mile long every minute. Ice defences to break up blocks are necessary. In addition, the masonry around the control system through which the water rushes must be heated to a temperature above 32 degrees Fahrenheit, so that the water will not freeze on the masonry and block the flow.

Revolving pieces of machinery weighing a million pounds must be so accurately constructed and installed as to maintain clearances not to exceed two one-thousandths of an inch. Special tools and special cofferdam construction, costing in the aggregate more than $35,000,000, must come into commission to achieve the desired results. Automatic governors will have to be perfected capable of instantly controlling the quantity of water used through the turbines for all of the various load changes incident to the distribution of the power over more than 2,000 miles.

These are a few of the problems that the projected plans must meet. The first section to be built will be a great dam and power house stretching across the St. Lawrence from the American to the Canadian side. Such a structure will cost approximately $200,000,000. This dam by itself will release power over a large area. One of the comforting features of the project when the tremendous sum to be raised by private capital to finance it is considered is that each section of the work is complete in itself and justifies its own existence. Yet each section, useful in itself, is but a part of a vast scheme, sometimes said to be three times as great an undertaking as the building of the Panama Canal.

Complete plans for the work extending over five years or more have been drawn up by the offices of Hugh L. Cooper of New York. Mr. Cooper, who is an expert hydraulic engineer and who built the Mississippi Water Power Project, says:

'No engineering proposal in the past even approximates in magnitude and far-reaching influence upon the general public the engineering proposal that is now before this International Joint Commission with respect to the St. Lawrence River. Aside from releasing 5,000,000 horse power, the engineering plans will show, and competent engineering authorities will agree, that the problems of preserving the scenic beauty at Niagara Falls and facilitating navigation on the Great Lakes system while bringing to highest development the water powers of the region may be solved in a way that will stand out as a world monument to engineering—an achievement compared to which all past achievements, however great they seemed at the time of the accomplishment, will look small.

CORPORATE LOSS FOR RAILWAYS, $1,264,680

For Period Ended June 30, 1919—High Operating Costs Prevented

OTTAWA.—The annual report on railway statistics for the year ended June 30th, 1919, published by the Dominion Bureau of Statistics, shows that the railroads carried 8.5 per cent. less freight than in 1918, or 116,699,572 tons against 127,543,687, and 2.7 fewer passengers, or 43,754,194 against 44,948,638. Due to the increased freight and passenger rates, which were raised in March and again in August, 1918, there was an increase in operating earnings of $52,756,751, or $382,976,901 against $330,220,150. This increase was more than offset by an increase in operating expenses of $67,911,073 or $341,866,509 against $273,955,436 making the net operating revenue $41,110,392 against $56,264,714, a decrease of $15,154,322. This net operating revenue was increased by miscellaneous earnings to $61,582,832. Taxes amounted to $5,316,614 and rents, lease of road, interest on funded debt, etc. amounted to $57,530,798, leaving a net corporate loss of $1,264,680 against a net corporate income of $18,328,229 in 1918.

The operating ratio increased from 82.96 per cent. in 1918 to 89.27 per cent. in 1919. Maintenance of way and structures was $69,034,242 against $51,614,857 and maintenance of equipment was $78,397,270 against $57,304,234. Transportation expenses were $170,382,034 against $145,107,396.

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INVESTMENT SECURITIES

Royal Bank Bldg. - Toronto

This Extravagance Must End Says Mackenzie King In MacLean's

The leader of the Liberal Party has written a striking article for January 15th MacLean's. Read what he has to say about our social and economic problems—about the "Make-Believe 'National Liberals and Conservatives'"—about the Tariff.

Other Interesting Features January 15th MacLean's

"The Human Speedometer,"—By Charles Christopher Jenkins.
"My Flirtation Ends,"—By Margot Asquith.
"The Big Time Man,"—By C. W. Stephens.
"Our Lost Immigrants,"—By Agnes C. Laut.
"Scarlet and Gold,"—By Colonel Geo. Ham.
"The City of Peril,"—By Arthur Stringer.
"Jane Ann's Rival, Mabel,"—By Archie P. McKishnie.
"By Act of God,"—By Beatrice Heron-Maxwell.

Review of Reviews

"The Dreamer of the Kremlin,"—By H. G. Wells.
"Chaplin Prey to 'Blues',"—By Benjamin de Casseres.
"Which Labor Policy?"—By William B. Dickson
"How Militarist Is Japan?"—Quarterly Review.
"Trapping An Elephant Herd,"—By Charles Mayer.
"Why Not Tax 'Bromides'?"—Henry Arthur Jones.
"Trotzky, a Human Dynamo,"—By Francis McCullagh.

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143-153 UNIVERSITY AVENUE - TORONTO, CANADA

NEWS AND VIEWS FOR MANAGERS

WIDENING FIELD OF AGGRESSIVE BANK MANAGER

Is Becoming Business Counsel as Well as a Banker

HIS "O.K." IS WANTED

Interesting Method Employed by Big Machinery Concern to Acquaint Bankers of Advantages of Product

In the present unsettled period perhaps more than any time in the past, is the bank manager called upon to give his customers the benefit of his advice not only on matters directly pertaining to finance, but in a larger way with regard to general business affairs. The wise merchant or farmer to-day is the one who puts all his cards on the table, and the progressive manager must consider a course which will not only protect the bank but will, from a business standpoint, put the customer in the best possible position to reap success. The merchant may need insurance for protection or advice as regards his buying; the farmer, perhaps, is considering the purchasing of new equipment—the bank manager can give both valuable advice. That this is the case is being more and more recognized as closer relations between the banks and the public are established. That it is understood by progressive business concerns is indicated in the following article from "Printers' Ink."—J.W.T.

The banker stands at a narrow passageway in the highway of business. He has the power to halt and to catechise many advertisers who try to go through the gateway. If he is not satisfied, he can deny them entrance altogether. The banker's capacity for credit-veto is what gives him this power. Without his approval, many ambitious marketing plans would not get far.

Right now, during this period of restricted credit, when bankers are doling out money only to those borrowers who can "sell" their industries, this subject takes on urgent timeliness. Granting this, how can bankers be sold on the economic importance and credit needs of a business? The best way to do it is to give them some facts about it. Supply them with arguments in behalf of the business. Sell them just as earnestly and as thoroughly as the consumer is sold. Get an advertising message to them that will make them realize that they are not justified in discriminating against the business being advertised.

It is heartening to know that some advertisers are already doing this. A few months ago Printers' Ink told how a motor truck manufacturer was conducting an advertising campaign designed, first, to sell the banker on how essential the motor truck is, and, second, to encourage him to recommend automotive equipment to farmers. A similar plan is being used by others. The J. I. Case Threshing Machine Co., for instance, employs space in publications reaching the banker in which it tells of the value of Case kerosene tractors to farmers. Here is the kind of message it directs at the banker:

> The farmer who, with the assistance of his local banker, purchases a Case Kerosene Tractor, thereby adds to his promise to pay an increased ability to pay. The possession of dependable power farming machinery enables him to do his work more rapidly, more thoroughly, and to a great extent, compensates for the serious shortage of farm labor. Ownership of a Case Kerosene Tractor and properly related Case tractor-drawn or driven machinery makes the farmer's promise better and his bank balance larger.
>
> The banker who appreciates the importance of his ability to advise, as well as to finance the prospective tractor purchaser, will be well repaid for sending for our catalogues.

Note that the banker is asked to send for catalogues, so that he can learn more about the product he is asked to finance. Many companies in advertising directly to the consumer manage to get something in the copy that is designed for the eye of the banker. The intention, of course, is to enhance the product's collateral value in his mind. Other concerns have their salesmen call on bankers just as though they were regular distributors. On these visits, the salesmen tell of the progress the company is making in that territory, how well the local dealers are doing, the satisfaction of the users, etc. These informal visits help to keep the banker "sold."

And that he should be kept "sold" on many products that run into money and that must be financed on long payments goes without saying. Such missionary work among country bankers is especially important. Most farmers are unable to finance the purchase of the vast store of up-to-date equipment needed on modern farms without the help of a friendly banker.

"SNOBBERY IN BANK" SAYS LABOR LEADER

Reason for Establishing Union Bank Would Not Hold Good in Canada

That because of "the snobbery of most large city banks in refusing to accept small bank accounts from workers or other small depositors" the Labor Union Bank in Cleveland has been organized by the Brotherhood of Railroad Engineers, is a statement made by President Stone.

The same charge has been made against Canadian banks; in fact in this country we have continually been told that American banks, being units, were free from this because the contact with the customer was closer.

Undoubtedly there was a time when there was considerably more social "dignity," if not exactly snobbery, in Canadian banking than there is to-day. A few years ago to be a banker—even to be a clerk in a bank—was a mark of social distinction that had its effect upon the relations between the institution and the public. A dark and gloomy banking building, with a socially superior staff, additionally protected by repelling brass and copper defences, had its effect upon the common people. But all—or nearly all—that has changed.

One of the great factors in bringing about a better understanding between the banks and the people individually has been the war. Not only has it been a time when social barriers have been reduced if not entirely lowered, but the average worker has been in a better position to become a bank customer than ever before and the average manager has realized this and acted accordingly in expanding the business of his bank. One manager in Toronto tells me that there was a big change in the business in his branch. It is located between two residential sections. Before the war he catered to the social crowd, but after the activity on munitions started he soon found that the business in savings accounts lay in the other direction and he soon changed his policy accordingly. He wanted deposits, so he catered to the working man—and his wife—and he got them.

There will always be a dignity — perhaps there is yet too much of it—to the banking profession, but I do not believe that the charge of snobbery can be made against the Canadian banks to-day, no matter what the attitude of the old time banker may have been. There has been a change—and properly so. The basis of any modern business is service and the banker as well as the merchant and the manufacturer must expect his success to be in proportion to the service rendered. J. W. T.

GOLD TO NEW YORK

NEW YORK.—Cunard liner Kaiserin Auguste Victoria arrived with $4,200,000 in gold bars, consigned to New York bankers. Of this amount, $2,400,000 is known to be consigned to Kuhn, Loeb & Co.

TIME NOW RIPE TO PREPARE FOR TRADE REVIVAL

Continued from page 1

millions; France's from three to sixty-one millions; Belgium's from six to twenty-two millions, and Greece's from eleven to twenty-nine millions. The credits were arranged through the Canadian Trade Mission and only thirty-four out of the one hundred and forty-nine millions of credit were used, but the trade grew five hundred millions in the two years the mission was in operation.

Mr. Harris offered his further comment:

"I hope that the Government will keep their hands off business. It doesn't know anything about business because it is not the function of Government officials. The main reason for the pyramiding was the excess profits tax, and I hope that the Government will repeal this enactment at the next session as I, as a merchant, have found that it is practically impossible to carry on business with the tax unless the highest possible price was demanded. In some cases the tax equalled 100 per cent. on the article due to the fact that it was multiplied in the different processes of manufacture. We ought to be rid of the tax and free to carry on our business with the handicap removed."

PROF. LEACOCK GIVES BANK MEN ECONOMIC VIEW

Delivers First of Series on The Theory of Money

SUPPLY AND DEMAND

An Absolute Regulator in the End of Price—Analysis of Cost—The Gold Standard

By Resident Representative.

MONTREAL.—"The highest service any lecturer can give is to make you want to read something on the subject," observed Prof. Stephen Leacock, head of the Department of Economics at McGill University, during the first of a series of six lectures on the theory of money, in connection with the Bankers' Course at McGill. Six hundred bank men followed the lecturer with intense interest as he gave them a glimpse—to many the first—of the fundamental attitude of the economist. It will be possible here to indicate only a few of the principles he laid down.

Political economy deals with mankind as occupied in producing and consuming wealth. The ultimate goal of the science is the wise direction of public policy and the attainment of social justice in the distribution of wealth. But at the outset economic science must first make an analysis of the actual mechanism of industrial society. Of this analysis, the principal part is the theory of value, within which the theory of money is included as merely a special application of wider principles.

"Wealth," the lecturer defined, as "all the material goods that people want and cannot have for nothing."

"Some of the best of things, fortunately," he added, "such as air (not yet monopolized), honesty, righteousness, etc., we can have for nothing, and so these are not classed as wealth."

Value expressed in money is called price. What regulates price (considering only for the moment, competitive prices)? That magic expression, "Supply and demand." This is termed the law of market price," namely, "'in any given market, the price (value) of anything depends on the market ratio of supply and demand." Price has nothing to do with cost. Still less with the utility or worth of goods; it depends simply on what people will give.

The market price carries subsidiary consequences. A high price is a tremendous stimulus to supply more. What is the reaction of market price on production? Stimulated or depressed production.

As, price, for any special reason, mounts high above the cost of productive goods, it tends to call forth more goods, and come down; as it falls, for converse reasons, below the cost of productive goods, it tends to discourage the production of a new supply, and hence tends to come up again. Price oscillates about the cost.

"Just as price begins to go up it sets in motion a force that tends to drive it down. In war time demand increased so furiously that production could not keep pace and prices continued to rise.

"Price is like a stone thrown in the air, the greater the initial velocity the greater the velocity with which it tends to come back.

"Every price must tend under free competition to equal the cost of production," was another axiom.

What is the cost of production? In primitive times, labor and trouble. But in industrial civilization one hour is not the same as another hour. One man may labor intensively an hour as an engineer; another may cut grass for an hour. If all hours were of the same value, we would all cut grass.

In practice cost means money spent on wages, equipment, machinery, material. And each one of these keeps revolving itself into an endless arithmetic series: wages plus wages plus wages, etc.

In economics there is "primary" cost, and "supplemental" cost (the latter much like "overhead" in business. Contrast the development from basket weaving; to a table; then to the more complex sewing machine. Primary costs are direct; they cling to each article, such as the actual material and wages of labor put into it. Supplemental costs are involved, not in the single article, but in the whole store: such as premises, equipment, machinery, office expenses, advertising, selling, and so forth.

Each and every single price must be above the primary cost, and all put together must be above the supplemental.

Among things bought and sold gold occupies a peculiar position. It and silver,—once its sister, but now no longer so. Gold and silver are sought to facilitate the exchange of all the others.

It is absolutely certain, concluded the speaker, that world prices must be dragged down; else we must say good-bye to the gold standard.

WESTERN PAPER IS DEFENDER OF BANKS

Manitoba Free Press Checks Up Statements by the Farmers' Sun

Manitoba "Free Press."

The Farmers' Sun, of Toronto, published on Christmas day an editorial under the above caption. A reading of it leads to a statement contained in the following paragraph:

No one will claim that the Canadian banking system is perfect. All human institutions have their imperfections, and the Canadian banking system is no exception. Changes may be asked for in the Bank Act, when it is again thoroughly revised. There may also be other federal and provincial legislation, with reference to banking and credits. If these changes are to be made, it is essential that the banking system of Canada should be understood, and the cause of improvement in the systems of credits in Canada is not furthered by making statements about the Canadian banks which are untrue or unfair.

The Farmers' Sun makes the statement, to select only one error, that our banking institutions pay all the way from 10 to 16 per cent. in dividends, and are piling up immense reserves.

It is remarkable that a paper of the general spirit of the Farmers' Sun should make a statement of this kind, which is to some extent untrue in the letter, and much more untrue in the spirit.

There are some banks in Canada, small ones it is true, which do not pay 10 per cent. The Weyburn Securities pays 7; the Sterling pays 7; the Provincial pays 7, and the Home bank pays 7.

The statement that the banks pay from 10 to 16 per cent. is, however, based on the fact that the banks themselves make an arbitrary distinction between their capital and their reserve capital. The difference between the capital of a bank and the reserve capital is practically one only of words. The greater part of the reserve was paid in by the shareholders in cash, the balance coming through long periods of years from earnings.

It is quite competent for the banks in their statements to say that they are paying 12 per cent. on their capital, but when criticism of these insitutions begins, it must in fairness be recognized, that the real dividends are in most cases only about one-half the apparent dividends, the real capital of the banks being in some cases more than double the announced capital.

With reference to the charge that the banks are building up enormous reserves, it may be stated that the true criticism of the present Canadian chartered banks is that neither capital nor the reserves are large enough for the business which they are now doing.

It is quite in order to criticise the banks, but is is desirable that the criticism should be constructive and fair.

The office of the Panama Canal announces that traffic of calendar year 1920 set new high records, 2,814 commercial vessels of 10,378,000 net tons carrying 11,236,000 tons cargo passing through Canal, exceeding the traffic of fiscal year 1920 by approximately 20% and calendar year 1919 by approximately 50%.

BANK STOCK CHANGES

	Last Jan. 5	Sale Jan. 12	Ch'ge
Commerce	181½	183	+ 1½
Dominion	191½	202	+10½
Hamilton	169½	175	+ 5½
Imperial	186	186½	+ ½
Merchants	169½	181	+11½
Molsons	170	170	....
Montreal	196	203	+ 7
Nova Scotia	250	254	+ 4
Royal	194¾	198½	+ 3¾
Standard	200	199	— 1
Toronto	182	184	+ 2
Union	146	153	+ 7

IRON AND STEEL MARKETS

No Improvement in Business Noted

Business is not improved in the iron, steel and machine tool market during the week, nor are there indications of any immediate recovery, according to Canadian Machinery. This is stating the worst at the outset, because several dealers report that they have some encouraging inquiries now that should result in business later on.

The New York tool market does not look for immediate reductions in prices. Makers are putting through such a few machines now that their costs are going up instead of down because the few tools going through have to bear the overhead which was formerly distributed over a much larger number. Neither does the Pittsburgh market look for much in the way of reduction in the prices of steel. Only in a few cases does it seem likely that 1921 will have a better price than that which is now quoted. The Corporation mills continue to produce well, while many of the independents are down.

The steel warehouse business is rather quiet in Canadian centers, and great care is being exercised by buyers generally. Even boiler tubes, which generally sell very freely at this season of the year, are being taken on only for pressing repairs.

In 1920—

The Canada Life Assurance Company

(Established in 1847)

Made the following substantial PROGRESS:

		Increase
Total Assurance in Force increased to	$276,667,000	$46,873,000
Total Assets increased to	76,108,000	6,756,000
Reserves for Protection of Policyholders	63,665,000	5,598,000
Total Income in 1920	15,729,000	3,717,000
New Assurances Issued in 1920	63,525,000	17,144,000
New Assurances paid for in 1920	58,260,000	16,619,000
Surplus Earned in 1920	2,163,000	285,000
Dividends to Policyholders in 1920	2,723,000	1,560,000
Total Payments to Policyholders in 1920	8,255,000	1,907,000

Above, in brief, are the results for 1920 as shown by the Financial Statement.

Below are a few other important accomplishments during the year.

1. Maintained dividends to Policyholders at pre-war scale, notwithstanding increasing costs and some adverse conditions.
2. Improved its service to the public through special training of Representatives and careful selection of men.
3. Won unstinted praise from the Government Insurance Departments of Michigan, Illinois, Pennsylvania and Minnesota, after most thorough examination of Assets and Management.
4. Made the largest Surplus Earnings in the history of the Company.
5. Increased the average interest to 6.10%.
6. Placed more insurance with present Policyholders than in any other year and increased public interest in Monthly Income, Business Insurance and Group Policies for industrial workers.

(A complete Annual Statement will be mailed upon request)

A 7½% Income Yield —Plus Great Prospects

We offer a limited number of shares of the Gillette Safety Razor Company (the parent company), at a price to yield over 7½%.

As dividends on this stock are payable in American currency, an average premium on Funds, of say, 10% will increase the income yield to over 8¼% per annum.

We have prepared a four-page circular letter, dealing with the financial and physical aspects of the Gillette Safety Razor Company.

This special study shows the Gillette Company to be in a remarkable financial position. Last year the company paid dividends of $10 per share, and earned $28.42 per share. This year dividends were increased to $12 per share, against earnings approximating $30 per share; therefore, in two years the company has put back into the property aggregate profits equivalent to $36 per share.

We offer Gillette stock with the knowledge that it represents one of the most successful industrial companies on this continent; and in the belief that with such enormous earnings, stockholders will receive increased dividends and special bonuses from time to time.

We invite investors to send for our special circular letter giving full particulars

T. K. Dickinson Company, Limited

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152 St. James Street, Montreal. Branch Office: Hope Chambers, Ottawa.

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No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisement."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

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PUBLISHED BY
MACLEAN PUBLISHING COMPANY, LTD.
143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 128 Bleury Street, M. Foster; WINNIPEG, 1103 Union Trust Building, Andrew O'Malley; VANCOUVER, 314 Carter-Cotton Building, Roy Hunter; BOSTON, 734 Old South Building, C. L. Morton; NEW YORK, Room 1606, St. James Building, 1133 Broadway (corner 26th Street), A. R. Lowe; CHICAGO, 403 Transportation Building; Cleveland, 1261 East 99th St., W. L. Gifford; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

TORONTO, JANUARY 14, 1921

MANUFACTURERS BEAR THE BLAME

WHEN G. M. Murray launched his campaign to control the editorial expression of the Canadian press by organizing the industrial advertisers to support only the advocates of protection he started a wave of indignation in Western Canada against the C.M.A. and manufacturers generally, which is not yet on the ebb. The Grain Growers' Guide, the official organ of the powerful Grain Growers' organisations of the prairies, started a counter campaign which is still going strong. The Guide reports that nearly 400 resolutions condemning the Murray scheme have been passed by branch associations in all parts of the West, while its stand has been endorsed by the Canadian Council of Agriculture and the provincial executives of the United Farmers of Alberta and the Saskatchewan Grain Growers' Association. These resolutions call for a boycott of goods not advertised in the Guide. The resolution of the Canadian Council of Agriculture, which credits the campaign to the "protected manufacturers of Eastern Canada," reads in part:

> Whereas an organized campaign is in progress by and among the protected manufacturers of Eastern Canada to cripple or control the low tariff press of Canada through the withdrawal of advertisements:
>
> Therefore be it resolved that the Canadian Council of Agriculture condemns in the strongest possible terms this campaign on the part of the privileged interests to control the press of Canada, and recommends to the organized farmers of Canada and to all other supporters of a low tariff policy to resist this campaign by every means at their disposal.

It was because we at once recognized that the sins of Murray would be visited upon the heads of all Canadian manufacturers—because of his connection with the C.M.A.—that the scheme was immediately condemned in THE FINANCIAL POST. Our policy has always favored adequate protection. But we appreciate that as a national policy it must win the support of the people on its merits. There is a strong political effort to work on the anti-protection sentiment of the Western farmers. Murray would deliver the manufacturers into the hands of their political enemies. The resolutions of condemnation do not refer to his scheme but lay the blame on the manufacturers themselves.

The evidence before the tariff commission indicates that the farmers have been largely misled as to the extent of protection of Canadian industry and that they do not understand that such protection is necessary to the maintenance of industrial activity and home markets for agricultural products. But they displayed a willingness to be shown the true facts and to give the manufacturer a square deal when they understand his position. The visit of the commission to Western Canada was not seized upon as it should have been as an opportunity for educating Western opinion. But unless something intelligent is done to remove false impressions created by politicians and to overcome such prejudice as that which Murray has created the anti-protection feeling on the prairies will surely spread.

MR. CLANCY AND HYDRO ACCOUNTS

ONTARIO loses a sincere and conscientious public servant through the death of James Clancy, provincial auditor. We heartily endorse the reference of the Toronto Globe:

> Mr James Clancy, the late Provincial Auditor, took his duties seriously as he did when he was financial critic of the Opposition in the Legislature. That was a far better thing for the Province than taking them too lightly. Mr. Clancy throughout a long life had the zeal and enthusiasm for public service which are sadly lacking in many citizens of ability of the younger generation.

In no other respect did Mr. Clancy display his zeal in the public interest and his fearlessness in discharging his duties as he appreciated them more than in his criticism of Hydro finances. As guardian of the public purse he demanded from the Hydro Commission an accounting of all moneys received and expended. This was not forthcoming. A discrepancy was reported. An inquiry followed. The result was that the Hydro books were legislated out of the hands of Mr. Clancy and have since been audited by auditors employed by the commission.

In was in connection with his report on the public accounts of Ontario for the fiscal year 1915 that Mr. Clancy recorded his criticisms and objections and the result was that a special committee of inquiry was appointed under the chairmanship of T. Herbert Lennox, the sittings commencing in March, 1916. At that time Mr. Clancy said in reference to the Hydro accounts that "the total expenditure of the period covered from 1909 to 1915 inclusive ....in one case is $17,000,000 odd, while in the other case it is only $13,000,000 odd......There is the disparity between the expenditure shown in the statement prepared by the commission and the actual expenditure as shown in the accounts."

The inquiry indicated that Mr. Clancy worked from the vouchers of receipts and expenditures supplied to him and the Hydro's own statement was one of assets and liabilities. It was shown that about $5,800,000 had been collected by the Hydro and Mr. Clancy contended that the surplus was "payable to the province under the statute." He submitted that it had not been possible to make a report before because access to the books could not be obtained.

Later in the inquiry after a thorough investigation of details the auditor submitted that as between the vouchers for receipts and expenditures there was "$172,619 entirely unaccounted for." It was on this point and the fact that he considered that the expenditures between the $13,000,000 and $17,000,000 were unauthorized under the statute that Mr. Clancy took his stand.

Those who understood Sir Adam Beck and his objections to criticism will appreciate that only a public servant of unusual courage would dare maintain the attitude adopted by Mr. Clancy at this time. There were hot scenes before the committee of inquiry as indicated in Vol. I of the Journals of the Legislative Assembly for 1916. And the outcome was that it was decided by the Government, then under the thumb of Beck, to place the Hydro books in the hands of auditors to be appointed by the commission itself. This arrangement still continues but Mr. Clarkson must be given credit for the frank manner in which he has discussed the accounts of the Commission since the election of the Drury Government and the determination of the premier to control the Hydro rather than have the Hydro control the province.

ECHOES OF THE MUNICIPAL LOAN FUND

REFERENCE has recently been made in these columns to the disastrous Municipal Loan Fund, organized by Sir Francis Hincks in 1852 and just as popular with the people of "Upper Canada" as the Ontario Hydro projects are to-day, until, after a period of twenty years, the bubble burst. A paper on the subject by Dr. J. Murray Clark, K.C., has now been published by the Ontario Historical Society in its "Papers and Records, Vol. XVIII."

On January 1st, 1873, Dr. Clark points out, there were arrears amounting to over $12,000,000 and the "municipalities where wise counsel prevailed and which had not borrowed from the Fund, complained that they were compelled to pay heavy taxes to meet interest on moneys in respect of which other municipalities were in default." Regarding this situation Sir Oliver Mowat (then Mr. Mowat) said: "The effect was to diminish the value of municipal securities generally and to corrupt the moral sense of the people with regard to moral obligations." As Dr. Clark points out heavy losses were involved:

> The injustice of making the thrifty and wisely guided municipalities pay for the default of those who had been misled by the demagogues of the day, was so keenly felt that the plan was devised of for giving certain municipalities which had borrowed more moderately, reducing the indebtedness of those who had borrowed heavily, and of voting $3,388,777.40 to be distributed among the other municipalities. The total net loss to what is now Ontario was over $13,000,000, though the taxpayers had been solemnly assured the Province would not lose a cent.

It has already been told in THE FINANCIAL POST how these losses were for years a burden on many Ontario municipalities. The lesson is surely one which should not be forgotten at this time when there are proposals to invest millions of the people's money in projects which are, after all, largely founded on the ambition of one public man much as were those of Sir Francis Hincks.

The Sutherland Commission is endeavoring to find out if the Hydro Radial projects are sound from a business standpoint but the public ownership press is paying little attention to any evidence which does not favor the plans of Sir Adam Beck. It is the duty of the Government to see that the people of the province are given the information which will enable them to understand and appreciate whatever report the Commission may make. We believe also that it would be in the public interest to have the particulars of the history of the Municipal Loan Fund put before every municipality in the province. Experience is a great teacher and the history of the Hincks fiasco could well be reviewed at this time by those who are responsible for municipal finance.

EDITORIALS IN BRIEF FORM

UNEMPLOYED in England who howled down John R. Clynes, Labor M.P., leave the impression that they feared that he might announce that he had found work for them.

* * *

D. M. FERGUSON, a prominent citizen of Stratford, is convinced that the transportation problem in Ontario will be solved by the building of permanent highways and the use of motor trucks and buses; he considers that the radial railroad is obsolete.

* * *

THERE are at present approximately 300 applications for every forty-five positions, while a year ago there was an average of twenty-five applicants for every 300 positions in St. Louis, according to Edmund F. Faber, of the United States Department of Labor.

* * *

CANADA'S taxes on large incomes are regarded in the United States as being very severe. The Financial Chronicle observes: "For the man of large income the tax rate in Canada is particularly severe. Personal incomes of $100,000 are subject to a tax of $32,749; incomes of $200,000 must pay $79,849."

* * *

NO FORM of big business has been more maligned before the public than the packing industry. And no industry performs more efficient public service on the basis of margin of profit. Swift and Company last year on sales of $1,100,000,000 made a profit of less than 1-2 cent. on the dollar. The payment of the usual dividends to the shareholders involved a deficit on the year's operations of $6,829,618 which had to be drawn from the company's surplus.

Public Refuses to be Fair to the Public Utilities

Politicians and Semi-Bolshevik Press Have Misrepresented Conditions So That Public Does Not Under- the Actual Situation

THAT misrepresentation by politicians and the semi-Bolshevik press has practically driven privately-owned electric railways to the wall is the claim of A. H. George in an article in the New York Times. The situation as it obtains in the States is, in a larger way, identical with our own, many of the street railways, the municipally-owned in particular, showing huge deficits from year to year, while the newspapers lead the "no quarter" anti-rate-increase war. Mr. George instances "the cut-throat jitney" as one of the causes contributing to the unhappy fate of electric street railways:

"Their credit destroyed, the electric railways of the country have reached a point of stagnation. Many of them are in the hands of receivers. Most of them are leading a precarious existence.

"What will hapen to them? Are their days numbered? Or will they revive and remain, and, if so, what will enable them to do so?

"From the point of view of invested capital these questions are of enormous moment. The net capitalization of the nation's electric railways, urban and interurban, is almost $5,000,000,000, or one-fourth that of the steam railroads and their revenues are in excess of $650,000,000 a year, only $175,000,000 less than the passenger revenues of the steam railroads. Their tracks cover 45,000 miles.

"From the point of view of the public the issue is no less vital. The electric railways carry more than 14,500,000,000 passengers a year, about twelve times as many as the steam railroads carry. And they touch the community more intimately and more constantly than the railroads do, for they are part of the visible and indispensable routine of the working day. They respond to the demands of necessity and convenience.

"Indeed, from whichever of these two angles the subject is regarded, it appears incredible that any service involving so tremendous a volume of capital and performing a function so critical in the national life should ever have been placed in jeopardy or been permitted to drift so near to ruin.

"Even before electrification street railways were supposed to be big money makers, and the scandals of franchise trafficking in early days was convincing proof of the value men of influence and imagination put upon the privilege of furnishing street railway service. And when the railways were electrified the business was pictured as a bonanza. Capitalizations were piled up recklessly in the conviction, or at least upon the assurance, that monopoly in carrying the populations of whole cities wherever they wanted to go was a gold mine that would never peter out.

"And yet, even before the great war, it was becoming plainer every day that the costs of renewals and of operation to say nothing of new construction and equipment, were pressing more and more closely upon the limit of earning power embodied in the nickel fare. So that when the war came, suddenly forcing upward at a sharp angle the curve of prices that had been rising by degrees for twenty years, the street railways were presently falling behind and net revenues above fixed charges and operating costs were practically a thing of the past.

"Since then nearly all the larger cities have been forced to grant the railways fare increases, but even with higher rates, revenues remain disappointing or altogether insufficient. Street railway dividends which were once a growing enticement are now an ashen memory.

"Why are the street railways in this wretched plight? Has traffic fallen off? No. The record shows that more and more passengers, both absolutely and per capita, are carried by the street railways every year. In spite of the automobile and the jitney bus the demand for street railway service continues and continues to increase.

"Confusing on its face is this combined showing—railway traffic gaining, but railway credit destroyed.

"Rising prices alone would have pinched the street railways, at least provisionally, because the fixed rate of fare—in most instances limited by ordinance or contract—was not sufficient on the new price level of commodities and wages to yield net returns satisfactory to investors and so to enlist the fresh capital without which the railways could not keep abreast of traffic demands. But by one means or another, this barrier was surmounted and rates have been regulated upward, with the sanction of the courts. Exceptions are conspicuous.

"In the meantime, however, the automobile and the jitney — the latter in direct competition — have established themselves. And the jitneys especially have cut into the street railway earnings everywhere—in Southern California at the rate of $500,000 a year, in Eastern Massachusetts at the rate of $2,000,000 a year, in New Jersey alone, according to Public Service Corporation estimates, at the rate of $5,000,000 a year.

"If there had been no competitive service the street railways would have held their patrons, even at the higher rates, in the long run at least, for they were a monopoly performing a necessary service. But the jitney competition has largely deprived them of patronage in proportion as fares were raised, and the automobiles have made their inroads also. In 1917, the latest street railway census year, there were more than 4,600,000 private passenger motors in the country, as against 79,914 street railway cars.

"But, besides rising prices and jitney competition, there were other causes at work to impair the earning power of the street railways. And no analysis of the present street railway problem can properly omit mention of them.

"The street railway properties were in most instances largely overcapitalized. Too often, as the result of mergers and reorganizations, they were also overburdened with fixed charges in the form of bonds and guaranteed rentals. As long as the nickel fare paid, these basic weaknesses were hidden, because the public accepted the nickel fare from habit. But when higher fares were forced from the public, then the financial foundations of the companies were examined more critically and the disclosures alienated public feeling.

"Not only had the street railway companies, generally speaking, watered their securities; they had neglected to correct the evil later on, during the early days of their prosperity. They had failed to amortize excess capitalization. They had failed to amortize accrued depreciation. They had fought every effort, through administrative commission or otherwise, to place a fair valution upon their property devoted to the public use.

"And all of these errors were in defiance of sound principle. For, to offset the security of their position as monopolies, and their protection against confiscatory rates the companies were bound to content themselves with a fair return upon true investment and a rate not greater than the value of the service rendered.

"Throughout their operations, the companies furthermore, with but few exceptions, were disregardful of good public relations. They took little pains to win public favor and support, and put the profits of management above service, just as they had put the spoils of promotion above sound finance. The public returned the sneer with hostility. There was bad blood between the people and the services upon which they depended.

"The stress upon profits was again emphasized by the companies in their later capital operations. The bankers who were their fiscal agents became too often the inner directorate, and the bankers' interest was primarily in the flotation of securities for compensation and only incidentally in the purveying of a public service for the public benefit.

"In a sense this is the most remarkable aspect of the whole situation, and amounts to a breakdown of democracy. Obviously street railway transportation is interwoven with the fabric of living in modern cities. It is a very part of the public's own daily existence. And yet, instead of team work between the companies and their patrons, there is indifference or enmity; instead of a united interest, there is a divided interest.

"But the public must bear its share of the blame for the unhappy state of the public relations of the street railway companies. The public has selfishly demanded that it receive service, no matter what difficulties the companies might face, even when those difficulties were not of their own making. It has taken the position, for example, that the franchises granted to the companies are so valuable that it was entitled to a partner's profits in their use, on top of low fares. It has imposed upon the companies obligations it might better have assumed, the taxes it might better have remitted. For the real interest the public has in the street railways is the interest in good service at reasonable rates, and if those advantages had been assured to it the price of the franchise would have been paid in full.

"But the facts are as they are, and the pressing problem now is how to face and control them.

'If the service is to be maintained, then the companies must be permitted to earn net revenues that will attract a steady flow of new capital into the properties, and this tide of new money must be at the rate of not far from $300,000,000 or $400,000,000 a year—some say more

"And the street railway service must be retained. There is no doubt of that. The testimony given before the Federal Electric Railways Commission, and coming from sources the most diverse, is overwhelmingly to the effect that the street railways are an integral part of our urban life and that no other form of service that has yet appeared is entitled on economic grounds to displace them.

"No, it is not a question of whether the street railways shall be suffered to go out of business. Rather it is a question of whether other changes may not be necessary in order that they shall be protected in full performance of their essential functions, and then held to the task.

"If administrative regulation by commission is incapable of finding a way out for the street railways, then the commissions and not the railways may have to go.

"If some sort of guarantee of a fair return is needed, retaining private management, then it may be that the cost-of-service plan, modeled perhaps after the Tayler plan in Cleveland, will have to be extended wherever it is workable.

"If neither regulation nor some form of public guarantee meets the test—the preservation of street railway service on a sound financial and economic base, with satisfactory rates—then public ownership whatever its weaknesses, will remain as the last recourse.

"But no matter what the difficulties, a solution is possible if only the outstanding truth be steadily held in view—that street railway services are a public concern, and must be maintained by such means as shall appear most desirable.

"Whether public ownership will eventually come or not, it is clear, at any rate, that the time for it is not yet at hand. The public is not ready for it, and the companies are not ready for it. Before so great a change is seriously considered on a grand scale the way must be well prepared, and it will take time to prepare the way.

"Important constitutional and legal changes will first be necessary; without them the proposal is impossible, practically, unless under the stress of some critical emergency. In most places public credit could not endure the strain. Meantime two things need to be done and done efficiently.

"First, administrative regulation must be carried on vigilantly and reasonably. Public ownership will be accepted by the American people only if and when it becomes unmistakably plain that regulation has been honestly and exhaustively tried and found wanting.

"Second, the street railway companies' credit must be restored as quickly as may be. Eventually, the securities of a public service corporations ought to be placed upon a footing so sound that they would sell in the market in competition with municipal bonds. Indeed, if communities are ever to establish their competence to own and operate their street railways themselves they ought first to prove their ability to safeguard private services while protecting the public interest.

'No single step alone will restore the credit of the street railway companies. That was admitted by the witnesses before the Federal commission. But at least the companies ought to be protected from cut-throat jitney competition; that is, with one proviso. This proviso is that the companies must submit to a true valuation of their properties and must so manage their business that a fair rate of return on the investment thus ascertained will yield them satisfactory revenues.

"If it be necessary it may be advisable to relieve the street railways from financial obligations and taxes that simply maintain fixed charges and yield no compensating gains to the public in service or in rates.

"After all, investors in street railways want security more than anything else. If securities were assured, the rate of return need not be high, for the factor of risk would be done away with. And the speculative enticement ought never to be permitted to revive.

"A city ought to be as unwilling to permit a well-run street railway to lose money as it would be to default on the interest of its own bonds. Such at least should be the spirit of urban patrons toward municipal services, and until such a spirit, on one side, reciprocated by a spirit of service on the other, comes to prevail, democracy will still be muddling one of the biggest concerns of its own social life."

PERSONALS

T. J. HENRY, well-known in stock market circles in Toronto, has received an important appointment with the firm of Bryant, Isard & Co., stock brokers, Toronto. Mr. Henry has been engaged in the stock brokerage business in Toronto for the past twenty years. For many years he was associated with the firm of J. Gordon Macdonald & Co., and latterly with A. E. Dyment & Co.

ANDREW ALLERTON, for many years manager of the Algonquin Hotel, St. Andrews by the Sea, N.B., and of the Place Viger at Montreal, has been appointed general superintendent of Canadian Pacific hotels with head office in Montreal. He succeeds Frank L. Hutchinson, who after many years' service has resigned and will reside in future on a large farm in Vancouver Island, which he has purchased. Mr. Hutchinson entered the service of the Bank of Montreal in 1885, and remained there until 1901, when he became a member of the Montreal Stock Exchange. He joined the staff of the C.P.R. in 1908, becoming manager in chief of hotels in 1915.

GEORGE W. LEE, formerly acting chairman of Timiskaming and Northern Ontario Railway, has been appointed by the Ontario Government to the position of chairman of the company. Mr. Lee has been associated with the Canadian railroads for a number of years; first entering the service of the Canadian Pacific in the freight department. Later he became connected with the Ontario Government railway as travelling freight agent ,being promoted from that position to general freight agent and finally to commissioner in 1914. Since the retirement of J. L. Englehart, the former chairman of the line, Mr. Lee has acted in the capacity of chief commissioner. He was born in Renfrew County and early in life worked in the bush for a lumber company.

FRANK L. BUTLER, general manager of the Winnipeg Electric Railway Company, has resigned to become head of the railway department of the Georgia Railway & Power Company, Atlanta, Georgia, his resignation to become effective January 31. Mr. Butler first became associated with the Winnipeg company in April, 1918, coming from Chicago, where he had held the position of general manager of the Chicago and West Towns Railway Company. His first position was that of general superintendent, but upon the apointment of A. W. McLimont to the vice-presidency of the company, he was made general manager. During his short residence in Winnipeg Mr. Butler has taken an active interest in the public affairs of the city. For the past two years he was chairman of the transportation committee of the Board of Trade.

A MATTER OF OPINION

The "Farmers' Sun."

The policy of fulsome flattery and servile submission which the Toronto "Globe" adopts toward Sir Adam Beck is doing their hero more harm than good. In a recent cartoon they pictured Beck as a mountain-climber on the peak of a snowy cliff. Did the "Globe" not mean **Mountebank** instead of mountain-climber.

EMBARGOES ARE DANGEROUS.

"Forbes Magazine."

The tariff, indeed, is a two-edged sword. If we are to escape as grave wounds as we inflict, it must be handled with the finest delicacy. As for resort to the embargo, it would be a still more dangerous weapon for employment by the greatest exporting nation in the world. Embargoes have a faculty of inviting embargoes. While hasty legislation may be needful in the interests of dyemakers and a few others, no general tariff action should be undertaken until after the most profound deliberation. The trend should be toward free trade, not toward more and higher trade barriers.

FROM THE FARMER'S STANDPOINT

American "Economic Review."

The purpose of the author is to prove that what Canada lacks is the single tax. A better title would be: "A Plea for the Single Tax in Canada." Mr. Good shows by the usual method that in a country like Canada the tariff is paid in the main by the farmer class. He also undertakes to show that urban rents are shifted to the farmer in the form of lower prices for produce. The conclusion arrived at will be accepted by those who believe in the postulate on which the discussion is based.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

STANDARD RELIANCE

A. W., Nova Scotia.—Would you kindly advise me of any information you may have as to the Standard Reliance Assets, Ltd., of Toronto, who have an authorized capital of $9,000,000. What is their business and has it been successful? How long is it since they paid any dividends and at what price is their common stock selling at present or last sales recorded?

The Standard Reliance Assets, Limited, is an organization arising out of the failure of the Standard Reliance Mortgage Corporation, and has been formed for the purpose of liquidating the obligations of the old company to the debenture holders, shareholders and depositors. Shareholders in the old company are allowed holdings of an equal amount in the new, and stock is distributed to the debenture holders and depositors as well in amounts corresponding to their interests in the old company. We are informed by G. T. Clarkson, president of Standard Reliance Assets, Limited, that a statement is being prepared outlining the exact position of the company, which will be forwarded to shareholders shortly.

ASSOCIATED GOLDFIELDS

A. C., Waterloo. — Would be glad to have your opinion of the Associated Goldfields, Ltd.

Concerning stock in the Associated Goldfields, Limited, we are informed that there have been no sales in this stock for a year or more. The greater proportion of this stock was sold at between $1.50 and $2.00 a share, although a large block was disposed of at $4. The company will probably undertake operations upon their property some time during the year, when the value the stock will assume will depend largely upon the results. In the meantime there is little or no market, and so we would advise you to retain these holdings, if at all possible. You might communicate with the financial firm of MacKay & MacKay, C. P. R. Building, Toronto, which has handled this issue, and we have no doubt that they would be able to find a buyer for you, but at what figure it is impossible to say.

SILVER FOX INDUSTRY

W., St. Peters, N.S. — Having had several requests to make use of your "Investor's Inquiry Service," I would like to ask what you think of the silver black fox industry, especially in P.E.I. Like most places quite a number have invested in fox stock in 1914-1915. Most of the companies were promoted by men of means and good standing and have so far only been selling enough pelts to pay expenses.

The inherent weakness in the fox industry as capitalized in Canada appears to be that the more foxes that are bred the less the scarcity and the lower the price. The whole virtue lay in the scarcity: "manufacturing" them as is done to-day suggests the danger of a permanent over-production. Hence it would appear that the industry had been capitalized at the peak of prices and the chance of realizing on that basis looks slight. The whole fur industry has had a heavy setback, due to the excessive speculation and the resulting high prices, and manufacturers and retailers have had to accept heavy loss in the last few months. One of the compensating results of the lower prices is to lessen the catch the present winter, which will make it easier for a recovery when buying starts up again in any large volume. If you are inquiring as a holder of stock we would suggest that you continue to hold until there is a fair recovery in the whole industry, but if you are only a prospective investor we could not recommend risking any money in any incorporated concern under present conditions.

DRYDEN PULP

Subscriber, Melville, Sask.—I would be pleased if you would forward me a report on Dryden Pulp as an investment at the present prices.

This company, foreseeing a fall in construction prices, has curtailed almost entirely its programme of development and when this is carried out will be able to escape the disadvantage of building at the top prices. At the present time its liquid assets exceed $2,000,000, and it is awaiting an improvement in the pulp market which is very quiet at the present time. We would suggest you defer making such an investment until business conditions in this industry become more normal again, when you could consider an investment on that basis. A few months should clear away a good many of the uncertainties existing in hundreds of industrials at the moment.

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Royal Securities CORPORATION LIMITED

32

MONTREAL

Toronto Halifax St. John Winnipeg Vancouver New York London, Eng.

Why the Western Farmers Shied Away From Labor

Some of the Factors Which Increase the Cost of Living As Between the Farm and the City

By AGNES C. LAUT.

Why the farmers of the West shied away from an alliance with organized labor can best be understood by reference to three staple food products:

(1) Apples
(2) Beef
(3) Wheat

I had on my farm eighty-two miles from New York 400 barrels of the best grade No. 1 apples I have ever raised Kings and Spies exceeding in size the legal measurement from one inch to half an inch and flawless—also 200 barrels of Baldwins, not so fine to look at, but better and longer keepers. Like thousands of other fruit growers this year, I feed them to hogs, or let them rot on the ground because it did not pay the cost of picking to ship them. It would not have netted me one-quarter of a cent each to ship them; and that quarter cent would not pay the wages of picking. Yet in New York City—the best highest priced market in the world—poor apples are selling on the street for 5 cents each, good apples for 15 cents, and one apple on a hotel menu, 30 cents.

It would not pay me to ship them for the following reasons:

It used to cost me $1.50 a day—10 hours—to get 12 barrels picked and packed, or 12½ cents a barrel. When 8 hour days were established by law for the railroads, farmers to hold their help had to increase wages in the proportion of two more hours' pay for an 8 hour day. That brought the cost of picking up to $1.80 a day. When industrial wages were increased 300 per cent., farmers to hold their help had to increase wages in proportion; and packers cost $4 a day and board, which equalled $4.80 a day, or 40 cents a barrel for picking.

Freights went up from 27 cents a barrel to a few cents under $1. Freights went up to pay for the shorter hours and higher pay of workers.

Barrels, that used to cost me 30 cents to 35, now cost me slightly over a dollar for barrels of legal standardized size. Barrels cost more because the wages of coopers have gone up from $2 a day to $4 and $6, and the wages of lumbermen from $2.50 and $3 to $6 and $11, according as they are skilled or unskilled.

Trucking in New York used to cost $4 to $5 a day of 10 hours. It now costs $8 to $9 for an 8 hour day. When I deduct cost of picking, of barrel, of freight, of returned barrel, of trucking, of commission, I have less than net 75 cents for a barrel of perfect apples, a deficit to pay on second grades.

The consequence is I stop shipping, and the cost of living goes up to the city consumer. The farmer can feed his family with his apples, feed the rest of the crop to his hogs, sit tight with a roof over his head and a full stomach, and let the 8 hours-a-day or high-pay city gentry eat hay, or appeal to charity and the bread line for food. If the farmer did otherwise, he would go bankrupt from falling prices in farm products produced at the high scale of wages for short hours.

In the Case of Beef

Or take beef.

Freight on a beef to New York used to cost me $3. It now costs me $7. It costs me $7, for the same reason freights increased on apples—to pay for a shorter day and higher pay. Also because terminal handlers jumped pay from 30 cents an hour to $1 an hour. I have certain new yardage charges $1.50 to pay. When I deduct these and commission for selling a $60 fat two-year-old, or fat cow down in her milk yield and turned into beef, nets me only from $30 to $37, less than the cost of the milk fed into the animal as a calf. So farmers are to-day not increasing their herds. They can kill what beef they need for themselves, sell the hide, sell a few quarters to neighbors, sit tight and let the 8 hour a day high-pay gentry eat hay, and the 8 hour a day high pay city gentry are paying 17 to 25 cents a quart for milk that used to cost 8 to 10 cents, and 40 cents to $1 a pound for meat that used to cost 20 to 28 cents.

Or take wheat.

Long as wheat sold at $2 plus, the farmer could afford to keep chickens on screenings and sell cheap poultry and cheap eggs. He could afford to pay $4 to $6 for harvest hands, who used to get $2, and $8 for tractor men, who used to get $4, and 20 to 26 cents for binder twine that used to cost 8 to 11 cents; but this year, when wheat slid suddenly under $2, the farmer pulled himself up with a jerk and began to do some book-keeping. While the areas sowed to wheat were large in both Canada and the United States, the averages threshed out low; but large areas mean a lot of handling; and a lot of handling means a big total for high wages. I have three relatives in the West who run big wheat farms in Alberta and Saskatchewan. As everyone knows, owing to the short season and big areas, wheat has to be threshed off big areas direct from the stock at lightning pace to get it marketed before autumn rains and frosts cut the prairie roads into such deep ruts that heavy loads cannot be hauled.

O. B. U. and Farm Workers

There is a tremendous demand for labor in August and September. Floating labor must be employed, the most of it young and unmarried, the most of it imported in harvest excursions. All the year round hands cost this summer $75 a month and board. Harvest hands come in for the threshing at $125. Owing to the late spring and the late summer rains, harvesting was late. Threshing came on at a terrific rush. Threshing hands began at $6 a day. Came labor delegates, I Won't Works and the One Big Union agitators among the crews of threshers. The floaters went on strike for $7 and took holidays off in the midst of the threshing to show their power. The farmers were paralyzed for a couple of days and raised to $7. Work resumed for a few days, and the floaters took another vacation and struck for $8. This happened till on some of the big farms employing transit gangs and not having year-round gangs of their own, the pay touched $9 a day and board.

Funny—wasn't it? The trouble makers and agitators thought so; and chuckled. So did the farmer. The joke was on him and he grinned; but "he who laughs best laughs last." Said a farmer of Saskatchewan to me: "With the big areas we put in this spring, the high wages we paid our help, the strike prices we paid our threshers, and the fall in the price of wheat just when we were marketing it to beat the bad roads, the cream of our profit is gone this year. The O. B. U.'s have eliminated profits all right—sure enough. Much good a rise in price will do us after December. Our grain will be marketed, except that of the rich fellow, who can store and hold. Next year we'll do the laughing. We'll plant only what we can handle ourselves; and the cities can feed those high pay short day fellows and tax themselves to do it."

Result—prospects of higher priced bread next year.

Who will be hurt most?

The farmer can sit tight and fight with a stolid silence, while the city pours out charity to I Won't Works and pours out advice to the farmer. The farmer can sit tight. The city man can eat hay on a short day and high pay.

When I passed through Winnipeg, the Manitoba elections had just been held. People were asking themselves would the farmer form an alliance with the labor members and so hold the reins of power? Labor was wooing the farmer. The farmer proved proverbially stupid and wise. He refused the bait. He asked the labor delegates just what was meant by "elimination of profits and nationalizing of lands." He may have added that "profits had already been pretty well eliminated, and was the next order of business to hand over his farm to I Won't Works." Labor has not answered the question to date and the alliance did not take place.

The best example I know of profit elimination was of two farms near Stonewall. On one was an English agitator, who said "if mill hands were not going to work more than 8 hours a day, he would be blowed if he did." So he went to work at 9 and quit at 5 and eliminated profits all right. His wife milked. His kids delivered the cream, and the family just managed to exist, barefoot, window panes missing, no paint on the house; but the theory worked beautifully. He had eliminated all profits. Over the barb wire fence was a Canadian boy, who didn't know anything about 8 hours except that the sun and frost don't work on that schedule. He got up at 4. He quit at 9 p. m. He harvested 40 bushels an acre of wheat on 200 acres of land, and sold before the price broke at $2. He paid a debt of $7000 and had profits enough left to build a good house and get better machinery for next year. Does that boy advocate the other fellow stepping over the barb wire fence and taking over his profits?

Ask him?

He didn't help to defeat Germany in the war—both men were soldier settlers—in order to be ruined by fool-German theories after the war. Not much, he didn't, not if he has to defend his profits with a pitch fork.

That is why the farmer has shied away from organized labor. He is going to do a little organizing on his own account for the next elections.

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Town of Brampton Debentures

Sealed tenders, addressed to the undersigned, will be received up to six p.m. of January 24, 1921, for the following bonds:

$ 3,668.88	Six per cent.	Twenty Years
1,556.33	Six per cent.	Thirty Years
31,034.56	Six and one half per cent.	Ten Years
24,879.16	Six and one-half per cent.	Twenty Years

C. M. CORKETT, Town Clerk

BOND MOVEENTS OF THE WEEK

Bonds—	Int. Rate.	Due. Year	Yield	Range 1920 High	Range 1920 Low	Latest Price Ask	Latest Price Bid	Wk. End. Jan. 11 High	Wk. End. Jan. 11 Low	Sales
Asbestos	5	1942	7.05	77½	77	77½	..	77½	77	$ 4,700
Bell Telephone	5	1925	7.10	91¼	..	..	91½	91¼	..	4,000
Can. Cement	6	1929	7.14	93	92½	..	92½	93	92½	3,000
Can. Bread	6	1941	7.52	84	..	85	84	84	..	1,000
Cons. Rubber	6	1946	7.18	86	..	..	86	86	..	5,000
Cedar Rapids	5	1953	5.87	87½	86	87½	..	87½	87	64,000
Dom. Canners	6	1940	7.32	88	86	90	88	88	86	4,500
Dom. Iron	5	1929	8.85	76	75	..	76	76	75	6,100
Dom. Textile (a)	6	1925	8.05	91½	..	..	92	91½	..	9,000
Do., (c)	6	1925	8.10	91½	91	..	92	91	..	2,000
Dom. Coal	5	1940	6.23	86¾	86	..	86	86	..	2,000
Lake of Woods	6	1923	7.70	95½	..	..	95	95½	..	1,000
Montreal Dec. '22.	6	1922	7.90	106½	96½	..	107	106½	96½	3,000
Do., May, '23	6	1923	4.98	106¼	103	..	106¼	106¼	103	2,200
Mont. Trams, deb.	5	1924	13.80	65½	63¾	..	..	65½	63¾	2,200
Penmans	5	1926	8.05	85	..	..	87	85	..	500
Quebec Rly	5	1939	8.90	61½	59	..	62	61½	60	39,300
Rio	5	1935	9.30	77	62	..	76	77	62	12,300
Sao Paulo	5	1929	9.30	73	70	75	..	73	70	29,500
Wabasso	6	1947	7.37	84	..	..	83	84	..	5,000
Wayagamack	6	1951	8.05	76¼	75	..	..	76¼	75	2,800
Winnipeg Elec.	5	1927	8.75	80	..	..	..	80	..	4,000
War Loan (1925)	5	1925	6.55	93⅜	92¼	93¾	93½	93⅜	92¼	11,100
Do., (1931)	5	1931	5.90	93	90¾	93½	92¾	93	91	23,600
Do., (1937)	5	1937	5.27	97¾	94½	97½	97	97¾	94¾	68,200
Victory (1922)	5½	1922	6.58	98¼	97	98⅛	98	98¼	97¼	398,550
Do., (1923)	5½	1923	6.57	97½	95½	97¼	97⅛	97½	96	612,900
Do., (1924)	5½	1924	6.34	98½	94¼	97⅛	97	98½	95½	205,850
Do., (1927)	5½	1927	5.94	98	95¼	97¾	97¼	98	95½	58,350
Do., (1933)	5½	1933	5.76	98¼	95⅛	97⅞	97⅝	98¼	95½	1,486,100
Do., (1934)	5½	1934	5.98	96⅛	92¼	95⅝	95½	96⅛	92¾	1,245,450
Do., (1937)	5½	1937	5.59	99½	96½	99⅛	98⅞	99½	97½	635,900

NEWS OF THE BOND MARKET

NEW PRICE LEVEL OF VICTORY BOND LIST ESTABLISHED

Improvement in Bond Market Follows Upward Movement

ABOVE CONTROL PRICE

Five of the Seven Issues Are Now Selling Better Than When Market Committee Was Operating

In response to the stimulus of a broad demand and a sustained buying power, Victory Bonds made sharp advances, and in their movement provided the sensation of the stock markets this week. There was a renewal of investment buying on a fairly large scaie, and the government securities were in constant demand. Five out of the seven issues have in consequence moved up to higher prices than were fixed under government control, and all are now selling at wide margins above the recent low levels reached in the open market.

With the ending of price control late in November last, it will be recalled that each issue reacted to a considerable extent. The downward movement was not long sustained, however, the turn materializing withing a comparatively few days. The upward incline has been steadily maintained since that period, but gained added momentum this week by the renewed demand that developed.

The present strength of Victory Bonds is generally looked upon as a readjustment movement to place prices of these securities upon a level which shall conform to the improved money conditions that are thought to be developing. The present development is regarded as a favorable omen, and opens the way to municipalities which require to do some financing this spring to dispose of their bond issues to beter advantage. The government securities tend to dominate the bond market, and set the lead for bond prices generally.

The following table shows the price fluctuations in the various issues since the ending of control:

Issue	Controlled Price	Low Following De-control	Jan. 11
1922	98	96	98¼
1923	98	94½	97½
1924	97	93	97⅜
1927	97	94½	97½
1933	96½	94	97⅝
1934	93	89½	95¾
1937	98	94½	99⅛

SCARBOROUGH ISSUE BRINGS MANY BIDS

And Bonds Are Sold to Harris, Forbes at 6.56 Basis

Scarborough Township, near Toronto, sold $130,000 of 7 per cent. twenty-year debentures to Harris, Forbes and Company this week at 104.277, which is on a basis of about 6.56 per cent.

Twelve tenders were received in all as follows:

Harris, Forbes & Co.	104.277
MacNeill, Graham & Co.	104.05
Wood, Gundy & Co.	103.54
R. C. Matthews & Co.	103.36
A. E. Ames & Co.	103.13
Can. Debenture Corp.	102.51
Turner, Spragge & Co.	102.29
United Financial Corp.	102.28
C. H. Burgess & Co.	102.16
Dom. Securities Corp.	102.141
A. Jarvis & Co.	99.04
Nesbitt, Thompson & Co.	99

WILL DEAL IN BONDS

Fidelity Agency Corporation Establishes New Department

With a view to dealing in government, provincial and municipal securities, a bond department has been opened by the Fidelity Agency Corporation, Ltd., of 36 Toronto St., Toronto. The department will be in charge of Frank G. Lawson, formerly with the investment house of W. L. McKinnon and Company.

Stanley T. Moss is president of the Fidelity Agency Corporation, which in the past had specialized in fidelity bonds.

ORILLIA'S LOCAL SALE

Through A. B. Thompson, a local dealer, the town of Orillia is offering $285,000 of paying debentures to its citizens. Mr. Thompson has been given an option on the issue and is offering the bonds to yield 6 1-2 per cent. The bonds are guaranteed by the County of Simcoe, and run from one to twenty years.

LAND GRANTS TO SOLDIERS

Soldier settlers in the prairie provinces have broken some 202,730 acres of new land in the past year, according to information supplied by the Soldier Settlement Board. The total area of land taken up by returned men in the West amounts to 3,100,000 acres. Of this approximately 2,000,000 acres are free lands granted to veterans, of whom 8,192 have availed themselves of soldier grants under the act. Loans from the Soldier Settlement Board to returned men going on the land passed the $80,000,000 mark in November. There were 19,879 settlers' loans.

ANOTHER $4,000,000 CITY OF PARIS LOAN

Arrangements Made For New Offering, Proceeds Going for Purchase of Goods Here

By Resident Representative.

MONTREAL.—A further block of $4,000,000 of the City of Paris loan, bearing interest at 6% has been taken by the Provincial Bank and the Banque Nationale for distribution in Canada, making a total of $6,000,000 so far underwritten. The proceeds of this loan will be expended entirely in this country for the purchase of foodstuffs and other supplies, which in turn will be distributed by the city of Paris through its municipal stores. This issue will be offered, it is understood, at a price to give a yield of 6½ per cent. The bonds mature in May, 1930. The first block of $2,000,000 was offered last spring. This loan was arranged with the city of Paris by J. W. Simard, of the Municipal Debenture Corporation.

CLOSE BIDDING FOR ETOBICOKE'S BONDS

Issue of $30,000 Sold to Wood, Gundy & Co This Week

Etobicoke Township sold an issue of twenty instalment six per cent bonds to the amount of $30,000 to Wood, Gundy and Company this week at 95.38. Bidding on the issue was very close.

Tenders received were:

Wood, Gundy & Co.	95.38
W. L. McKinnon & Co.	95.27
C. H. Burgess & Co.	95.06
R. C. Matthews & Co.	95.06
Can. Debenture Corp.	95.06
Dyment, Anderson & Co.	95.03
A. E. Ames & Co.	94.52
MacNeill, Graham & Co.	94.41

LONDON MARKETS BIG BLOCK SUCCESSFULLY

After Many Local Sales City Offers $730,000 in Toronto

London made an exceptionally good private sale of $730,000 of its bonds this week, disposing of them to A. E. Ames and Co. on a basis of about 6.45 per cent.

The bonds consisted of two blocks, $454,000 of ten instalment 6's for local improvements and $276,000 of thirty instalment school bonds.

They are being offered at 6.25 and 6.30 per cent.

London, although it always has a good deal of financing to do, has not been in the bond market in many months. It has adopted the principle of selling as many of its bonds as possible over the counter, and during 1920 succeeded in disposing of a large amount to local citizens.

OSHAWA AND NORFOLK COUNTY SELL ISSUES

Less Than 6.50 Rate Obtained By Lake Ontario City

Oshawa sold its issue of $125,000 of thirty instalment six per cent. bonds this week to R. C. Matthews and Company at 95.06, which is at a 6.45 rate. Bids were received as follows:

R. C. Matthews & Co.	95.06
A. E. Ames & Co.	94.949
Wood, Gundy & Co.	94.38
Brent, Noxon & Co.	93.808
Harris, Forbes & Co.	93.717
United Financial Corp.	93.68
Æmilius Jarvis & Co.	93.65
C. H. Burgess & Co.	93.54
Dominion Securities Corp.	93.453
Turner, Sprague & Co.	93.432
Dyment, Anderson & Co.	93.37
T. S. G. Pepler & Co.	93.27
MacNeill, Graham & Co.	92.47
Canada Debenture Corp.	92.03

The same firm also purchased $50,000 of County of Norfolk six per cent. fifteen instalment debentures at 95.95, a 6 5-8 per cent. rate.

LACK OF BIDS MAKES POLICY NECESSARY

Alberta Will Go Into Irrigation Financing Question

The failure of the Lethbridge Northern irrigation issue has made the entire irrigation question in Alberta one for thorough review by the Provincial Government. Despite the fact that confidence was expressed by government officials in the Lethbridge scheme, not a single bid was received for $5,400,000 of 7 per cent thirty-year bonds offered for public tender. This is taken as an indication that there is no market for unguaranteed bonds of irrigation projects.

The trustees of the Lethbridge Northern district are asking the provincial government for a full guarantee of the bonds, but as projects totalling $30,000,000 are in contemplation the government will take the entire subject into thorough consideration before deciding upon its policy.

SASKATOON CUTTING DOWN EXPENDITURES

Commissioner Yorath Points Out Need of Close Economy

By Resident Representative.

SASKATOON. — The estimated total expenditures of the city of Saskatoon for the year 1921, as set out in the annual budget just submitted to the city council by city commissioner C. J. Yorath, amount to $801,317, or $14,858 less than the estimate for 1920.

Commissioner Yorath says in his report:

"On account of the financial crisis which is now being faced by almost every country in the world, governments are being advised to reduce expenditures and to adopt the strictest form of economy in order to reduce as much as possible the enormous amount of taxation. Municipal governments are strongly urged to adopt this policy, and it is with this aim in view that the present estimated current and capital expenditures have been compiled. It is unfortunate that a policy of economy with no provision for improvements has again to be advocated, but Canada has been passing through a period of extraordinary conditions brought about by the great war and it is probable that it will take some years before those conditions can be adjusted.

"It is very strongly recommended that only those capital expenditures which are absolutely necessary for the proper maintenance and operation of the public utilities should be undertaken and only sewer and water extensions should be made which are necessary to serve large buildings which are at present being constructed or are likely to be completed in 1921, such, for instance, as the Canadian National Railways shops and the Normal School."

The commissioner's report suggests a radical scheme for the centralisation of the finance of the city and school expenditures, among the most important features of which are the following: (a) All school accounts to be kept in the city treasurer's department; (b) the health of the children in all the schools to be surpervised by the city health department; (c) all repairs to school buildings to be carried out by the city engineer's department; (d) the sale of school debentures and the financing of the capital account to be carried out by the city council; and (e) all purely educational matters to be supervised and controlled by a central education committee consisting of half of the members of the city council and the balance of members selected for their educational experience. The purpose of this suggestion is to create an administrative system that will be more efficient and economical than the present system levies and expenditures and its duplication of administrative costs.

REGINA STREET RAILWAY

REGINA.—The gross revenue received by the Regina municipal street railway from passengers carried last year was $326,480.70, as compared with $300,959.50 in 1919, according to a statement issued to-day by the superintendent. At the municipal election in December a by-law in favor of the adoption of the one-man street car was carried and it is expected that this system will be put in force during the coming spring.

EDMONTON TAXES

EDMONTON. — Tax collections in this city amounted last year to $4,317,907, as against $3,641,701 in 1919. The assessment was considerably higher than in the preceding year, and in both cases the collections were about 70 per cent. of the actual levy.

According to "Iron Age" pig iron production in 1920 was 36,414,114 tons, not including charcoal iron, compared with 31,004,500 tons in 1919 and 30,052,000 tons in 1918, latter being high annual production.

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REGINA PUBLIC SCHOOL DISTRICT DEBENTURES FOR SALE

Tenders will be received by the undersigned up to noon of February 1, 1921, for the purchase of Regina Public School District debentures totalling Two Hundred and Fifty Thousand Dollars ($250,000.00), repayable in thirty years (30) with interest at six and one-half per cent. (6½%) per annum, payable half yearly at (1) Regina, Toronto, and Montreal; or (2) Regina, Toronto, Montreal and New York, at the option of the holder.

Tenderers are requested to submit bids for debentures payable in Canada and New York and for debentures payable in Canada only.

Tenders will be considered on both the Sinking Fund and Annuity plans of repayment.

Regina funds and delivery.

No tender necessarily accepted.

For further information address

J. H. CUNNINGHAM,
Secretary,
Regina Public School Board,
Regina, Sask.

Regina, Saskatchewan, Jan. 6th, 1921.

THE FINANCIAL POST,
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.... 1920

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January 14, 1921

FIELD OF MUNICIPAL FINANCE

MONTREAL CITIES FIGHT OVER PLAN FOR ANNEXATION

Larger Municipalities Resist Plan for Metropolitan Area

WANT INDEPENDENCE

Small Municipalities and Montreal City Will Take Stand for One Big Union

By Resident Representative.

MONTREAL.—A straight fight before the Legislature between the larger municipalities of the Island of Montreal on the one hand, who will insist on a maintenance of their independent existence, and the City of Montreal and a number of the smaller municipalities on the other is assured in a few days. The struggle will centre around a proposal of the Charter Commission appointed to draw up a system of government for the City of Montreal, which is urging the appointment of a "Metropolitan" Commission to have jurisdiction over all the municipalities on the Island as well as the City of Montreal. This proposition does not infringe on the separate corporate existence of these municipalities, but the members for the City of Montreal, headed by Mayor Martin, it is understood, will insist on a "clean-up" of the whole situation, and the other towns and cities such as Westmount, Outremount, Montreal West, etc., find in the position these representatives are taking a determination to annex everything, and this they are determined to fight with every means in their power.

Look After Own Financing

The original idea of the Charter Commission was that it should be given authority to control the financing of the municipalities and control the sinking funds by consolidating them. The mayors at a meeting this week passed a resolution against this on the ground that this would be "an unjustifiable encroachment upon the autonomy of the municipalities" because ratepayers would not have control over the decisions of the Commission which would not be directly responsible to them; because finances are now sufficiently controlled by the Minister of Municipal Affairs; and because any such legislation would have the effect of depriving the municipalities of their most important powers and transferring them to a commission granted for the City of Montreal and controlled by it.

The meeting of Mayors did recognize the advantage of a Metropolitan Commission to the extent of granting it powers to control the construction of main sewers, to open up streets traversing various municipalities, and the preparation of a general plan for the Island of Montreal. Beyond this they refused to admit it any authority.

Favors Forcing Annexation

Mayor Martin, however, backed up it is stated by the most of the local members, will endeavor to have all the municipalities annexed forcibly to the city. The movement for annexation has made considerable progress the last few years, but in the main it has been limited to such municipalities as Maisonneuve that have been overwhelmed with debt as a result of reckless, not to say wasteful administration, and sought the shelter of the big city as a means of ridding themselves of the weight of debt, and to enable them, under the aegis of the larger city, to secure funds for local improvement.

The city aldermen, apart from the local members of the Legislature, are going down to Quebec armed with a resolution opposing the main portions of the scheme for a civic charter suggested by the Charter Commission, and here also a stern fight will be staged, second only in interest to the effort of the municipalities to stave off annexation. The aldermen will insist on a ward system instead of the election of Commissioners at large, instead of one chosen by the Commission, as suggested in the recommendations now before the Government. The Commission suggested a body of nine members elected by the city at large replacing the present council.

SUGGESTS MONTHLY REPORT

Hamilton's Mayor Wants Greater Interest in Finance

HAMILTON.—A suggestion by Hamilton's new chief executive, Mayor Coppley, that monthly reports of the financial standing of the city should be published, has received a good deal of endorsation from local bodies. The idea of the mayor is aimed to stimulate greater interest among citizens in questions of civic finance and also to provide a check upon expenditures out of various appropriations and revenue received under different estimates.

Hamilton will have a large amount of financing to do during the coming year, it is probable, much of it on account of local improvements. Tentative tenders on an initial block offered this week were all refused.

During the last six months of 1920 City Treasurer W. H. Davis disposed of $550,000 of the city's bonds to local investors at a 6 per cent rate. During December sales totalled $75,000.

REGINA COLLECTIONS

REGINA.—Tax collections in the city of Regina during 1920 amounted to $1,360,000, or $67,000 over the collections in 1919. The total tax levy for last year was $1,739,000, an increase of $379,000 over 1919. A considerable portion of the collections represented arrears of taxes for other years and it is estimated by city officials that probably not more than $1,000,000 of the collections in 1920 represented current taxes.

Money By-Laws

TENDERS WANTED

Feb. 15, Kenora.—$82,319.38, 6½ and 7%, 10, 15, 20 and 35-year, various debentures. F. J. Hooper, Clerk and Treasurer, Kenora. (See announcement elsewhere on this page.) The town has decided to extend the time for receipt of tenders from Jan. 12 to Feb. 15.

Jan. 15, Township of Barton.—$6,185.99, 6% 20-yr. sidewalk bonds; $11,557.56, 6%, 10-yr. road bonds; $6,000, 6%, 5-yr. machinery bonds. Alfred G. E. Bryant, Twp. Clerk, Court House, Hamilton. (See announcement elsewhere on this page.

Jan. 24, Brampton.—$5,225.21, 6%, 20 and 30-yrs.; $55,913.72, 6½%, 10 and 20-yrs. C. M. Corkett, Town Clerk, Brampton. (See announcement on page 12.)

Jan. 17, Alberta—$2,000,000, 6%, 10-yr. bonds, payable in Canada and New York. C. R. Mitchell, Provincial Treasurer.

Feb. 1, Regina.—$250,000, 6½%, 30-yr. school debentures. J. H. Cunningham, Secretary, Regina Public School Board, Regina. (See announcement elsewhere on this page.)

BY-LAWS TO BE VOTED ON

Jan. 14, Fort Garry R.M., Man.—$50,000 for school purposes.

Jan. 22, Brooklands S.D., Man.—$40,000 and $80,000, for school purposes.

BY-LAWS PASSED OR DEFEATED

Village of Fenelon Falls.—$20,000 for purchase of fire truck and appliances, defeated by ratepayers on Jan. 4.

Ottawa.—$200,000 for a new fire hall, defeated by the ratepayers on Jan. 3; $60,000 for purchase of stone quarry, defeated.

Sarnia.—$10,200. for construction of sewers, passed by the ratepayers; $59,000 for water works, defeated on Jan. 1.

Orillia—$60,000 hospital by-law. Passed by the ratepayers on Jan. 1.

DEBENTURE NOTES

MONTREAL.—The ratepayers of Montreal West have voted in favor of six municipal improvement by-laws involving an expenditure of $282,000. These include a new lighting system with underground conduits to cost $117,000; new fire apparatus, permanent roads and sidewalks, the opening of new streets, extensions of sewers and water mains, improvements to the town hall, and the erection of a municipal greenhouse. The bonds to be issued will bear interest at 5½%. Tenders will be called as soon as the Legislature ratifies the issue. Last year the ratepayers also voted on most of these by-laws but permission was refused by the Legislature on the ground, it was felt, that annexation to the city seemed imminent, and they did not want to authorize expenditures that ultimately might become a liability to the city.

SASKATCHEWAN

The following is a list of authorizations granted by the local government Board from December 18th to December 24th, 1920:

Rural Telephones.—Dalrymple, $1500; Cedoux, $4800; Renown, $4,000; Lakeview, $950; Surbutton, $200.

The following is a list of debentures reported sold from December 18 to Dec. 24, 1920:

School Districts.—Pheasant Forks, $14,000, 8 per cent., 20 yrs., J. A. Thompson & Co., Winnipeg; Saint Front, $2700, 8 per cent., 10 yrs., Waterman-Waterbury Co., Regina.

Rural Telephones—N. W. Smiley, $13,500, 8 per cent., 15 yrs., Harris, Read & Co., Regina; Haultain, $600, 8 per cent., 15 yrs., A. L. Koyl & Co., Saskatoon.

RAISE TAX MAXIMUM IN ALBERTA PROVINCE

Municipal Districts To Be Given Increased Powers Re Taxation of Lands

By Resident Representative.

EDMONTON.—Municipal districts in Alberta will be given power to levy and collect on a maximum of taxation twice the present rate. The limit now is one per cent. of the assessed value, or ten cents per acre where a flat rate is fixed, and on request of the Alberta Association of Municipal Districts the maximum will be raised to two per cent. and twenty cents respectively.

A delegation from the association asked the Government for a number of changes in the taxing system, and among these to which the Governm... agreed was one providing that ... plementary revenue taxes sho... subject to compromise for ar... the same conditions as oth... They have heretofore b...

The tax recovery act ... ed to enable munic... possession of lands ... sales without bei... the school taxes. ... are re-sold, howe... are to be paid.

A request fo... hamlets on all b... ing was disap... ment, as was al... from some of ... an increase in ... at council meeti... reeves and counc...

It is possible t... of the powers of ... Commission and t... Subdivided Proper... compromising tax... by the Legislature... ties would like the ... missions to withdra... sales, when once ... and the Government ... this shall be done.

WILL MOLD D... IRRIGATIO...

Many Money Matte... Before Alberta Le... This Session

By Resident Representative.

EDMONTON.—Money matters will figure prominently in the forthcoming session of the Alberta Legislature, which has been called for January 26. In the way of new legislation it is expected to be a light session, the programmes of the several Government departments being confined largely to amendments to existing acts.

The question of the Government's policy in regard to irrigation schemes in the southern part of the province is among these probabilities. This is a live question now as a result of the failure of the Lethbridge Northern irrigation debenture issue, but since that particular scheme is only the initial one in a long series that must be faced eventually, the adoption of a permanent policy will be necessary in the near future. Something more than a Government guarantee of two years' interest is regarded as quite likely to be demanded by conditions in the money market, if an irrigation programme of $30,000,000 is undertaken, and the question is due for discussion in the legislature.

More Money For Education

A large increase in the appropriations for educational purposes will be asked for. Alberta spent under this head in 1920 somewhat more than $2,100,000, and this year's estimates will call for probably $2,500,000.

For railway improvement on lines operated by the Government $1,000,000 will be required, and new telephone construction will call for $2,000,000. The latter is only one-half the amount spent in 1920, but Premier Stewart, under whose department both telephones and railways are administered, says that the estimates will be cut down to the point of only strictly necessary work.

The first debenture issue by the Alberta Government in anticipation of some of these new expenditures has been announced by the provincial treasurer. It is for $2,000,000 in ten-year gold bonds at 6 per cent, tenders to be received up to January 17 in Edmonton. One-half of this sum is to go into the general revenue of the province, and one-half to railway improvement.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Jan. 12	Oshawa	R. C. Matthews & Co.	6%	30-in.	$125,000	95.06	6.45
Jan. 12	Norfolk Co.	R. C. Matthews & Co.	6%	15 in.	50,000	95.95	6.62
Jan. 12	Orillia	A. B. Thompson	...	20-in.	285,000	.....	6.50
Jan. 10	London	A. E. Ames & Co.	6%	10 & 30 in.	730,000	.....	6.45
Jan. 10	Scarborough Tp.	Harris, Forbes & Co.	7%	20-in.	130,000	104.277	6.56
Jan. 10	Etobicoke Tp.	Wood, Gundy & Co.	6%	20-in.	30,000	95.38	....

To the Investor

Tight money and the peak of interest rates usually signifies the low point of the bond market. The opinion of those best qualified to judge consider the bond market has reached its lowest levels, and purchasers at today's prices should reap a handsome appreciation in value over the next few years.

Our January "Bond Analysis" contains much information that is of interest to investors. Ask for a copy.

HOUSSER WOOD & COMPANY
INVESTMENT BANKERS
10-12 King St. East, To...

Sealed Tenders will be received by the undermentioned up to 12 Noon Tuesday, the [illegible] day of February, 1921, for the following Debenture Issues, Totalling $82,319.38.

Bylaw Nos. 758 and 773—Electric Utility 7% Instalment Debentures, Principal and Interest payable 1st day Aug. each year, in 15 equal annual instalments. Final instalment payable 1st Aug., 1935 ....$10,000.00

Bylaw No. 781—Waterworks, 20-year, 7%, $1,000.00 Debentures. Interest payable semi-annually on the 30th June and 31st Dec. Maturing 30th June, 1940 ....$20,000.00

Bylaw Nos. 770 and 772—Consolidated Debt, 33-year, 6½%, $1,000.00 Debentures. Interest payable semi-annually on the 30th June and 31st Dec. Maturing 31st day of Dec., 1953 ....$13,5[illegible]

Bylaw No. 774—Electric Debenture, 10-year, 7%, $500.00 Debentures. Interest payable semi-annually on the 1st Feb. and 1st Aug. Maturing 1st day of Aug., 1930..............$6,000.00

Bylaw Nos. 763 and 775—Public Improvement, 7% Instalment Debentures. Principal and interest instalments payable yearly on the 1st day of Aug. in 20 equal annual instalments. Final instalment payable 1st Aug., 1940 ....$25,000.00

Bylaw Nos. 768 and 776—Local Improvement 7% Instalment Debentures. Principal and interest payable 1st day Aug. each year in 20 equal annual instalments. Final instalment payable 1st Aug., 1940 ....$7,755.[illegible]

The above Debentures are payable both as to interest and Principal at the Imperial Bank of Canada, Kenora, Ontario.

F. J. HOOPER,
Clerk and Treasurer

Kenora, Ont., Dec. 3rd, 1920.

Sale of Debentures

SEALED TENDERS ENDORSED "TENDERS for Debentures" will be received by the undersigned up to Saturday, January 15th, 1921, for the purchase of the following bonds:

$ 6,185.99 (approximate) 20-year sidewalk bonds.
$11,557.56 (approximate) 10-year road bonds.
$ 6,000.00 5-year road machinery bonds.

All the above issues are on the sinking fund plan, interest payable half yearly, 6%. Tenders opened January 17th, at 2 p.m. The highest or any other tender not necessarily accepted.

ALFRED G. E. BRYANT,
Township Clerk.
Room 1, Court House, Hamilton.

SASKATCHEWAN SCHOOL DEBENTURES
FOR SALE
Yielding 8 Per Cent. Interest
Scottish Provincial Investment Co. Limited
Darke Block, Regina, Sask.

The Canadian Converters' Company, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of One and Three-quarters (1¾%) per cent. has been declared on the Capital Stock of this Company for the quarter ending 31st January, 1921, payable 15th February, 1921, to Shareholders of Record at the close of business 31st January, 1921.

By Order of the Board.
THOS. M. BARRINGTON,
Secretary-Treasurer.
Montreal, 11th January, 1921.

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INSURANCE AND REAL ESTATE

NEW PRIVELEGES FOR ASSURED AT END OF 5 YEARS

Allow Assured to Convert "Higher" to "Lower" Class of Policy

"JUBILEE" PLANS

Canadian Company Commemorates Fifty Years of Operation by This Innovation

By Resident Representative.

MONTREAL. — A new type of life insurance policy is making its appearance in Canada which will allow holders to make a change in "class" at the end of the first five years, a change that was rather difficult to make heretofore. It has been an almost unwritten law with most companies in Canada that the assured could not change from a "higher" to a "lower" class of policy, although arrangements were possible whereby he could exchange a lower for a higher type.

This policy is the "Jubilee" plan adopted by the Sun Life Assurance Company to mark fifty years of business operations. It offers an interesting recognition of the possibility of the assured feeling that he wants a larger policy for the amount he is paying, or that he can pay more and so lessen the number of payments. Hence the new plan starts off with the assured selecting as the type of policy a twenty-pay life, providing for a change at the end of five years to a straight life policy of an increased amount. For instance, if the policy written at the first is for $1,000, this amount is increased by ten per cent. for the sixth year, that is to $1,100; by another ten per cent. for the seventh year, to $1,200; and so on, so that for the tenth year it is $1,500. There it remains until the death of the assured, and he pays on this $1,500 the same premium as he started with in the twenty-pay life policy. As the official notice reads:

The policyholder may change to an Ordinary Life Policy by payment of the original premium throughout the duration of the policy, and the assurance will be increased by 10% of the original amount annually in advance for five years, the amount payable in event of death is equal to one and a half times the amount of the original policy.

Again in the case of an assured who feels he cannot maintain the premiums he started with, his twenty-pay policy may be reduced to a straight life policy, and he continues to pay every year until death, instead of for only twenty years, but there is a reduction in the premium ranging from 38 per cent. to as much as 42 per cent. In this last case, where the age is 35, for instance, the assured pays only $21.85 for life as compared with a regular rate of $27.90.

INSURANCE MONEY DRIVEN ABROAD

Change Advocated in United States' Insurance Taxes—To Reduce Costs

As in Canada there are many foreign insurance companies operating in the United States, and are yearly removing large amounts of money received in the form of premiums for investment elsewhere. G. W. Edmonds, writing in the Journal of Commerce, calls attention to this condition and states that during 1920 on fire and marine insurance alone $414,000,000 in premiums was sent out of the country, the general contention being that on account of the cheaper overhead charges in other countries brokers were enabled to place insurance for their clients at lower rates than could be obtained in the United States. This condition indicates, Mr. Edmonds points out, that if this business is to be retained within the country there must be some new method devised of taxing insurance companies.

One method advocated is that the policy of taxing gross premiums followed by both the federal and state governments be done away with, as this manifestly added to the premium. Another needed change was the excess profits tax, as it was apparent to all who had studied the subject that business could not continue to expand nor financially take care of its fluctuations if continuously compelled to pay over a greater part of its earnings to the government in taxes.

The laws affecting the taxing of insurance companies and particularly the American companies, would probably undergo some change, with a view to relieving the present difficulty.

LETHBRIDGE IRRIGATION

Gross Production $49.31 Per Acre—The Value of Irrigation

LETHBRIDGE. — The valuation of the crop upon the 79,650 acres of the C. P. R. irrigation block, including the Coaldale, Stirling, Raymond, Welling and Magrath districts, is placed at $49.31 gross per acre. The result for the year, although lower by $5 an acre than the 1919 total, is considered highly satisfactory considering the fact that the prices received in many cases were lower for the various commodities than a year ago. Had the same range of prices prevailed the gross production value would have been beyond the $5,000,000 mark and the per acre production would have exceeded $60. The prevailing prices were, however, very much lower, nearly 50 per cent. in some cases. This year's results, too, may be regarded as most satisfactory, and form another argument for the extension of irrigation in Southern Alberta, when it is considered that in some districts within 50 miles of Lethbridge the grain returns averaged little better than $50 an acre.

HOUSING SCHEME IS PROPOSED FOR REGINA

Buildings To Be Sold on "Easy Payment" Plan — City Building Reviewed

By Resident Representative.

REGINA. — A housing scheme is now under consideration by the Board of Trade and the Trades and Labor Council. This scheme proposes that the city arrange through the provincial government a 20-year 5 per cent. loan of $500,000 from the Dominion government, and that it appoint a commission of five men to employ the proceeds of the loan in purchasing the necessary lots and erecting thereon dwellings costing approximately $3,700 each. These properties would be sold on an "easy payment plan." The houses would be built on 25-foot lots, costing approximately $300 each. The total cost of each property would thus be about $4,000.

The scheme proposes the construction of fully modern houses of not more than six rooms, with bathroom, and full basement with cement or other suitable walls. An initial cash payment equivalent to 15 per cent. of the price of the property will be required of the purchaser and thereafter equal monthly payments that will extinguish the debt in 15 years. Taxes on both the house and lot will be figured out for the 15-year period and the proper amount thereof included in each monthly payment. On a $4,000 property, sold on a basis of 15 per cent. cash and a balance of $3,400 to be cleared off in 15 years, a monthly payment of $36.55 would be required. Seven per cent. interest is charged on the balance during its life.

The Year's Building

The value of the building permits issued by the city of Regina during the twelve months ending December 31, 1920, was $2,603,320 or $904,300 more than the value of those issued in the previous year. It was also the highest figure reached since the year 1913, when the value of the permits issued was $4,018,350. The total value of building permits issued in Regina during the ten years of 1911-1920 was $25,342,164, distributed as follows: 1911, $5,099,340; 1912, $8,047,309; 1913, $4,018,350; 1914, $1,765,875; 1915, $464,065; 1916, $222,125; 1917, $416,460; 1918, $1,006,000; 1919, $1,699,020; 1920, $2,603,320. The years 1911, 1912 and 1913 were Regina's "boom" years.

GUARANTY TRUST REPORT

Total Resources Now Approach Billion Dollar Mark

The statement of condition, issued by the Guaranty Trust Company of New York as of December 31st, shows that during the year 1920 the company's profits were $12,355,950.50. This amount added to a credit balance of $6,239,889.57 on January 1st, 1920, and to miscellaneous credits of $155,624.46 during the year, brings the total credits in the undivided profits account up to $18,751,464.73. The deductions from this amount were $5,000,000 to cover the 20 per cent. dividend paid during the year and $1,676,392.36, which was appropriated for distribution to officers and employees under the company's additional compensation plan. With these deductions totalling $6,075,892.36, the company's final credit balance in undivided profits account is $12,075,072.37. Total resources now stand at $923,663,338.12.

MONEY STRINGENCY RESTRICTS BUILDING

Successful Plan of Toronto Building Company for Overcoming Difficulty

The plan adopted by a Toronto building company last season to overcome the money stringency so far as its own requirements were concerned will no doubt be of interest to other builders and prospective builders who were not successful in finding any solution to the difficulty. The National Building Company, Limited, is an organization founded for the purpose of erecting a number of houses in a favored residential district in Toronto last year. While operations were under way the company found it difficult to secure an ample supply of funds with which to carry on operations. It had been brought to the attention of the management that an industrial company was financing new construction by placing a mortgage upon the property for a substantial amount, and issuing bonds against this mortgage, thereby strengthening the security of the investor. If this scheme worked successfully in the case of an industrial property, for which the number of buyers in the field would be limited in the event of the necessity of foreclosure proceedings, the security for the bonds upon a residential property would be even greater where there were many times the number of prospective buyers available.

This company, which at the time was engaged upon the construction of some twenty-five houses ranging in value about $8,000, arranged to place the first mortgages, which were approximately equivalent to one-half the estimated value of the property, with a trust company, and payable to the trust company. Against these mortgages bonds were issued. The mortgages were for five years at 7½ per cent., while the bonds were antedated some four or six months, allowing the bondholders the first privilege of instituting proceedings in the event of default of interest payments. The bonds bear interest at 7 per cent., the variation between the mortgage and bond rates being allowed to provide for trust and legal fees and other expenses incidental to placing a bond issue upon the market.

Mortgage payments are made half-yearly, and these sums are placed in a sinking fund to provide for the redemption of the bonds at maturity.

The bond holder has not only the property as security, but the assets of the building company as well. The bonds were readily saleable, it is said, and the company was able to complete its building program successfully. In addition, it is arranging for an extension of the program this year, and has arranged for the construction of some fifty more houses, work to be commenced almost immediately. A similar method of financing will be followed.

REINSURANCE IN MUTUALS

American Local Agents Protest to Stock Companies

NEW YORK.—Associations of local agents in several of the States are writing stock companies presenting their objections to the companies reinsuring business in mutuals. The letters in some instances show that the agents are going about this matter systematically, as they have examined records in the State insurance departments and present actual figures as to business reinsured and the mutuals in which it was placed. This campaign is along the lines outlined at the annual meeting of the National Association of Insurance Agents at Des Moines in October.

These letters of the agents promptly bring up interesting questions, and unless the term "mutual" is clearly defined, there is danger of some straining of relations between agents and companies. Mutual companies are of many classes, and it is a question whether the agents can make out a good case if they fail to specify just what kind of companies they have in mind.

According to official statistics of the British Board of Trade, Germany had a balance of over £4,000,000 in her favor as the result of British-German trade, during the first nine months of 1920, in articles wholly or mainly manufactured. Returns show that Germany sold goods valued at £17,190,793 to England.

"Popular Mechanics Magazine" states that England is credited with now being the nation in the front rank as to aviation, and is not only leading the rest in the development of military craft, but passenger and express as well. In 15 months, record shows 82,000 passengers and 200,000 pounds of freight traveled 1,000,000 miles in 48,000 flights.

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Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets Over - - - - $8,000,000.00
Losses Paid Since Organization - - - - $77,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D.; Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O.; E. R. Wood.
Assets over - - - $4,300,000.00
Losses Paid Since Organization, over - - $47,000,000.00

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WINTER SPORTS — ALGONQUIN PARK

The splendors of winter and the opportunities for the enjoyment of all winter sports are found in that wondrous territory — Algonquin Park. Two hundred miles north of Toronto and one hundred and sixty-nine miles west of Ottawa, it is easy of access. "The Highland Inn," a most comfortable hotel, owned and operated by the Grand Trunk, offers first-class accommodation at reasonable rates. Two thousand feet above sea level assures an invigorating climate. Attractions —snowshoeing, skating, tobogganing, ski-ing, driving and fishing through the ice. If you are run down or need a change this is the spot for you. An illustrated booklet telling you all about it, sent free on request. Apply to N. T. Clarke, manager, Highland Inn, Algonquin Park, Ont., or to any Grand Trunk agent.

ALGONQUIN PARK IN WINTER

There is an increasing desire among many city people to escape from the cares of housekeeping, and of life in the large centres, and seek the hospitality and good cheer to be found at the resort hotels. The Grand Trunk Railway System is meeting this desire in keeping open its famous hotel in the Algonquin Park of Ontario, "The Highland Inn." This hotel is easily accessible through Ottawa or Toronto, and offers warm, cheery private and public rooms. Excellent cuisine and the companionship of guests who have a common aim—to enjoy the healthful winter sports and invigorating climate that the great unspoiled wilderness of Algonquin Park affords. For rates, etc., apply to N. T. Clarke, manager, Highland Inn, Algonquin Park, Ont., or to any Grand Trunk agent.

BANKING IN CHINA

Chinese-American Institution Shows Rapid Growth

The Chinese-American Bank of Commerce is an institution developed within the past year and is to extended to all the larger centres of China. The Shanghai branch was opened September 24 and four hours after it had begun business deposits exceeded $6,500,000. This was the fifth branch opened, the first being opened in Peking on February 6. Others are established at Tientsin, Chentow, and Hankow, and active steps are being taken towards opening branches in Tsinanfu. The capital of $10,000,000 is half subscribed by American interests and half by leading Chinese financiers. Mr. Hsu En-yuan, who prepared the way for the launching of the enterprise on a trip to the United States a year ago, is en route to the United States to consult with the American interests on plans to extend the scope of the bank's activities in the Far East.

CANADIAN STOCKS

Quotations of listed Securities on Montreal and Toronto Stock Exchanges, with prices at closing on Jan. 11
In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active.

Capitalization: Preferred	Capitalization: Common	Capitalization: Bonds and Debentures	Div. Rate	Yield to Jan. 4	COMPANY	Range 1920 High	Range 1920 Low	Range 1921 to Jan 4 High	Range 1921 to Jan 4 Low	Close Jan. 11 Ask	Close Jan. 11 Bid	Week Ending Jan. 11 High	Week Ending Jan. 11 Low	Week Ending Jan. 11 Close	Sales
...	5 000 000	6 160 600	6	10.52	Abitibi Power & Paper com	87	49½	58	56	57¼	57⅛	57½	54	57¾	3,350
1,000 000	...	...	7	8.23	Abitibi Power & Paper pref	99	85	85	...	...	87	86¾	86¾	86¾	25
...	6 594 300	...	...	...	Amer. Cyanamid com	36	33	...	...	...	...	...	...	...	...
994 200	...	...	6	...	Amer. Cyanamid pref	65	62	...	...	...	...	...	...	...	...
...	3 500 000	1 473 666	...	...	Ames-Holden com	137½	10	...	...	15	10	20	20	20	50
2 500 000	...	...	7	...	Ames-Holden pref	114¾	27	30	...	...	40	38	30	38	100
...	614 660	537 442	...	...	Amer. Salesbook com	7½	5	...	...	...	...	...	...	...	...
3 073 300	...	...	7 1½	10.00	Amer. Salesbook pref	83	70	...	...	72	70	70	70	70	25
...	3 000 000	2 940 000	6+1¾	7.59	Asbestos Corp. com	103	64	79½	78	79	75	79	77	79	21
4 000 000	...	...	8	7.95	Asbestos Corp. pref	108	83	88¾	...	90	89¾	90½	88½	90¼	290
...	3 500 000	1 345 000	10	...	Atlantic Sugar com	164	16	22	20¼	29	28½	30	21⅛	29	7,748
2 500 000	...	...	7	8.28	Atlantic Sugar pref	184	24½	...	...	...	...	...	...	...	...
8 483 500	27 450 000	54 063 875	...	...	Barcelona Traction	9¼	3¼	4⅛	...	4¼	4	4¼	4	4¼	350
...	22 336 300	11 149 000	8	8.00	Bell Telephone	111¼	100	100	99¼	100	99	100	99⅞	100	512
...	4 282 200	...	6	15.00	B. C. Fishing	66	34¼	40	38	44¼	44	45	39¾	45	207
10 000 000	106 566 300	77 192 132	...	...	Brazilian Traction com	51¼	28	32½	30⅞	35	34¾	36	32	35	5,013
...	858 500	17 234	10	10.52	Burt. F. N. com	110	88	...	...	...	...	...	...	...	...
1 866 700	...	...	7	7.24	Burt. F. N. pref	110	90	96½	...	...	100	101	98	101	95
2 000 000	7 000 000	2 375 000	7	12.96	Brompton Paper	85	42¼	57	54	54½	54¼	56	53	54	9,682
...	2 500 000	1 146 872	...	...	Canada Bread com	32½	19	...	...	21½	21	21½	19¾	21	412
1 250 000	...	...	7	8.23	Canada Bread pref	86½	84	...	...	87	85	85	85	85	35
...	4 975 000	7 757 822	...	...	Can. Car & Fdry com	74	29	...	...	36	31	35	31	35	35
7 500 000	...	...	7	10.14	Can Car & Frdy. pref	109	67	...	...	...	68	70	64	70	301
...	13 500 000	6 509 573	6	10.34	Canada Cement com	75	54¼	58¼	57½	63	62	61	56½	61	918
10 500 000	...	...	7	7.77	Canada Cement pref	100	88½	90½	90	89	...	91	90	91	66
...	1 733 500	399 000	7	11.66	Can. Converters	80	51	60	59	61½	60	60	60	60	45
...	2 805 500	9 500 000	...	...	Can. Cons Rubber com	100	87¾	...	...	...	...	...	...	...	...
3 000 000	...	...	7	7.00	Can. Cons. Rubber pref	95	92	...	...	...	...	...	...	...	...
...	2 715 500	4 567 105	8	10.95	Can. Cottons com	100	71	73	...	...	75½	76½	73	76	270
3 661 500	...	...	6	8.57	Can. Cottons pref	83	66	70	...	...	72	71	71	71	75
...	960 000	173 200	12	...	Can. Forgings, com	257	75	...	...	...	...	...	...	...	...
960 000	...	...	7	7.60	Can. Forgings, pref	92	91	...	...	...	...	...	...	...	...
...	8 000 000	...	8	8.47	Can. Gen. Electric com	109	93¾	95	94	101¼	100	99	94½	99	302
2 000 000	...	...	7	7.77	Can. Gen. Electric pref	104	90	91	90	95	93	94	90	94	88
...	2 000 000	1 500 000	8	9.52	Can. Locomotive com	100	80	...	...	...	...	...	...	...	...
1 500 000	...	...	7	8.43	Can. Locomotive pref	95	80	83½	83¼	84	...	83	83	83	5
80 681 921	260 000 000	271 934 882	10	7.26	Can. Pacific Railway	142	125	137½	136¾	141	140	141	137½	140	376
...	800 000	369 000	8	8.88	Can Salt	147	85	...	...	...	...	...	...	...	...
...	12 000 000	7 979 619	7	14.58	Can. Steamships com	80¼	34	48½	46½	48¾	48¼	49	46½	48¾	1,358
12 500 000	...	...	7	10.14	Can. Steamships pref	85	60½	70	65	72	71	71½	69	71½	587
...	1 200 000	454 500	...	...	Carriage Fact. com	49½	7½	...	...	...	...	...	...	...	...
1 200 800	...	...	...	...	Carriage Fact. pref	90½	72¼	...	...	...	...	...	...	...	...
...	565 000	...	...	...	City Dairy com	62	50	...	...	...	55	55	55	55	1
700 000	...	...	7	8.23	City Dairy pref	99	85	...	...	...	81	82	82	82	8
...	5 360 700	...	10	7.60	Consumers Gas	150	125	...	...	130	125	12[illegible]	124¾	125	240
...	6 212 666	...	6	13.33	Crow's Nest Coal	59¾	40	...	...	...	45	47	45	47	65
...	15 000 000	35 757 500	8	8.79	Detroit United Rly	113¾	79¼	90¼	90⅛	91	89	90	88	88	174
...	6 500 000	...	8	9.14	Dominion Bridge	115	69	87¾	87½	...	86½	87	76	86	293
...	2 796 300	1 719 410	...	...	Dom. Canners com	66¼	26	34	...	38	37	40	34	38⅜	945
2 290 600	...	...	7	8.75	Dom. Canners pref	90	79	...	...	79	78½	78½	78	78½	25
3 000 000	15 000 000	5 864 500	7	10.60	Dominion Coal pref	97½	70	66	63½	...	73	72½	69	72½	165
...	4 250 000	1 683 363	6	7.14	Dominion Glass com	69¼	57	56	...	60	56¾	56	56	56	140
2 600 000	...	...	7	9.03	Dominion Glass pref	91	82¼	77½	...	...	77	77½	77½	77½	65
5 000 000	25 000 000	13 434 313	7	10.29	Dominion Iron pref	92	65	68	...	...	71	71	68	70	30
7 000 000	37 100 000	20 450 682	6	13.95	Dominion Steel Corp	82½	39	43½	42½	49	48¼	48¼	42	48¼	3,242
...	1 000 000	...	6	7.40	Dom. Telegraph	91¾	80	81	...	...	...	...	...	...	...
...	5 000 000	4 767 500	10	9.56	Dom. Textile com	146½	96½	104½	...	108	107	108	104	108	590
1 940 600	...	...	7	7.77	Dom. Textile pref	105	89	90	...	...	91½	90	89½	90	12
1 500 000	3 500 000	3 500 000	4	...	Duluth Superior	28	12	13	...	13	12	13	13	13	25
...	2 250 500	950 000	...	...	Goodwins com	35	26	...	...	...	...	...	...	...	...
1 750 000	...	...	7	9.33	Goodwins pref	95	75	...	...	...	...	...	...	...	...
...	1 000 000	225 000	...	...	Holt Renfrew com	70	62	...	...	...	...	...	...	...	...
1,000,000	...	...	7	8.75	Holt Renfrew pref	85	80	...	...	...	...	...	...	...	...
...	2 500,000	800,000	8	7.27	Howard Smith Paper com	167	74¾	...	...	...	...	110	110	110	35
1,500,000	...	...	8	8.79	Howard Smith Paper pref	107½	91	...	...	...	...	92	92	92	45
7,289,500	...	...	6	9.23	Illinois Traction perf	70	64	...	...	...	66	65	65	65	6
500,000	6,267,005	...	25c.	...	International Petroleum	82	20	...	...	...	...	...	...	...	...
...	2,198,018	1,902,500	8	9.19	Kaministiquia	97	83½	87	...	...	...	87	87	87	40
...	2,800,000	900,000	12	8.82	Lake of the Woods com	220	130	...	...	...	138⅞	139	135½	139	16
1,500,000	...	...	7	7.48	Lake of the Woods pref	112	93½	...	...	...	95	94	94	94	2
...	9,600,000	565,778	6	6.66	Laurentide Paper	125	81	93¾	91	94¾	94½	95	92	94½	1,820
1,300,000	1,750,000	934,900	8	17.39	Lyall Construction	99	35	...	...	55	54	55	47½	55	575
2,388,600	3,000,000	...	...	...	Macdonald A. com	44¼	19	...	...	25	24½	25	20	25	80
...	41,380,400	...	6	8.69	Mackay com	79½	67¼	69¼	69	71¼	70¼	71	69¾	71	73
50,000,000	...	...	4	6.34	Mackay pref	74	61	63	...	...	64	65	64	65	203
...	2,500,000	...	12	8.65	Maple Leaf Mill com	196	133	...	...	150	145	145	138	145	186
2,930,000	...	...	7	7.52	Maple Leaf Mill pref	104	92	...	...	...	...	...	...	...	...
...	1,275,000	...	...	...	Monarch Knitting com	75	60	...	...	...	...	...	...	...	...
750,000	...	...	7	8.75	Monarch Knitting pef	90	85	...	...	85	...	78	78	78	5
...	2,949,600	...	6	7.59	Montreal Cottons com	87	78	...	...	75	...	75	75	75	40
2,949,600	...	...	7	7.77	Montreal Cottons pref	105	90	...	...	...	90	90	90	90	26
...	64,126,100	...	5	6.13	Montreal L.H. & P. cons	90	76	82½	81½	84¾	84½	86	81¾	84½	2 742
...	2,000,000	...	8+½	7.27	Montreal Telegraph	124	110	...	...	...	...	110	110	110	25
...	3,861,070	36,608,153	10	8.00	Montreal Tramways	155	125	...	...	125	...	125	125	125	50
...	2,254,300	1,580,000	4	7.77	National Breweries com	70	39¼	52½	48½	...	...	54½	50	53½	8,837
2,775,000	...	...	7	7.36	National Breweries pref	97	93	...	...	...	...	...	...	...	...
...	2,000,000	...	...	...	Nat. Steel Car com	12	3	...	...	...	...	...	...	...	...
1,500,000	...	...	7	...	Nat. Steel Car pref	41½	21	...	...	...	...	...	...	...	...
...	15,000,000	11,102,437	5	13.51	N. S. Steel & Coal com	80	33½	37	...	29	27	28	22	28	240
1,000,000	...	...	8	10.66	N. S. Steel & Coal pref	107	75	...	...	...	41	42	37	41	140
...	2,500,000	2,350,000	12	6.66	Ogilvie Milling com	280	175	...	...	...	177	183	180	183	45
2,000,000	...	...	7	7.00	Ogilvie Milling pref	105½	97	100	...	100	...	100	99	100	20
...	750,000	538,200	8	13.79	Ont. Steel Products com	89	50	...	...	...	57	58½	58	58½	50
750,000	...	...	7	...	Ont. Steel Products pref	89½	89	...	...	...	...	...	...	...	...
...	3,500,000	2,125,000	6	8.57	Ottawa L. H. & P.	81	70	...	...	...	...	...	...	...	...
...	650,000	...	2	5.88	Pacific Burt. com	42	30¼	34	...	...	33	35	35	35	10
650,000	...	...	7	9.21	Pacific Burt. pref	85	76	...	...	78	...	76	76	76	5
...	2,150,600	2,000,000	8	8.24	Penmans Ltd. com	148½	93	...	...	150	95	97	95	95	172
1,075,000	...	...	6	8.10	Penmans Ltd. pref	91½	74	...	...	85	78	78	78	78	60
...	749,500	...	...	...	Port Hope Sanitary com	27	25	...	...	...	...	...	...	...	...
400,000	...	...	7	...	Port Hope Sanitary pref	42	30¼	...	...	...	...	...	...	...	...
...	3,000,000	3,837,666	4	...	Porto Rico Rlys. com	50	28½	37	...	39½	38	38	37	38	30
1,000,000	...	...	7	10.76	Porto Rico Rlys. pref	79	60	65	64	66½	66	66¼	64	66	127
...	8,534,200	5,372,098	8	3.20	Price Bros	385	250	250	...	...	...	250	250	250	23
...	2,481,300	95,000	6+1	6.31	Provincial Paper com	132	80½	...	...	...	...	90	90	90	10
1,700,000	...	...	7	8.04	Provincial Paper pref	100	85	...	...	...	...	...	...	...	...
...	9,999,500	11,045,000	...	...	Que. Railway L.H.	36¼	18	23½	22½	24½	23¾	24	22	23¾	1,595
...	4,500,000	5,909,400	10	7.40	Riordon Paper com	226	126⅞	139	135	138	130	135	131	132	1,265
1,500,000	...	...	7	8.43	Riordon Paper pref	101½	83	...	...	...	...	...	...	...	...
...	1,500,000	502,000	...	...	Rogers Wm. com	71	52	...	...	...	...	...	...	...	...
1,122,800	...	...	7+1¾	8.75	Rogers Wm. pref	102	80	...	...	...	...	...	...	...	...
...	800,000	...	7	9.33	Russell Motor com	89	70	...	...	...	...	...	...	...	...
1,200,000	...	...	7	14.00	Russell Motor pref	98	40	50	...	...	50	50	46	50	23
...	1,500,000	478,868	...	...	Sawyer-Massey com	20	13	...	...	...	...	...	...	...	...
1,500,000	...	...	...	...	Sawyer-Massey pref	67¼	35	...	...	45	43	43	40	40	25
...	20,000,000	9,353,261	7	6.66	Shawinigan W & P.	119½	97½	105	104½	108	...	109½	105	108	1,189
...	4 000,000	2,226,006	6	...	Sherwin Williams com	119	75	...	...	...	...	...	...	...	...
3,425,000	...	...	7	8.13	Sherwin Williams pref	100	85¼	...	...	...	...	...	...	...	...
...	8,750,000	...	8	6.03	Shredded Wheat com	142	130¼	...	...	130	...	130	130	130	5
1,250,000	...	...	6	6.12	Shredded Wheat pref	98	98	...	...	...	...	...	...	...	...
...	8,000,000	10,332,113	7	8.18	Spanish River Pulp com	129	75	88	84¾	89	88	89½	84	88½	3,308
5,699,100	...	...	7	7.52	Spanish River Pulp pref	149	82	94	91	95	93½	95	90½	94½	2,430
...	11,500,000	8,562,225	7	11.66	Steel of Canada com	88½	54¾	60	59	62½	...	63¼	59¾	63	1,458
6,496,300	...	...	7	8.04	Steel of Canada pref	101½	85¼	87	86½	88	87	90	86¾	90	123
...	1,200,000	160,590	6+1	10.17	St. Lawrence Flour com	139	59	...	...	...	...	67	61½	66	235
575,000	...	...	7	7.36	St. Lawrence Flour pref	98½	92	...	...	...	...	...	...	...	...
...	7,894,000	1,440,000	...	...	St. Maurice Paper	170	123	120	...	...	...	120	120	120	195
...	650,000	...	...	...	Tooke Bros. com	86	67	...	...	...	...	...	...	...	...
985,000	...	...	7	8.43	Tooke Bros. pref	91	83	...	...	...	...	75	75	75	10
...	12,000,000	2,502,306	...	...	Toronto Railway	65	35	64	59½	65	64½	65	60½	64½	1,690
...	2,500 000	...	4	9.52	Tuckett Tobacco com	57½	41	...	...	45	41	42½	41	41	335
2 000,000	...	...	7	8.64	Tuckett Tobacco pref	93	81½	...	...	...	...	...	...	...	...
3,000,000	22,000,000	20,213,000	...	...	Twin City com	49	31½	...	...	...	44	44	44	44	25
...	1,750 000	891 000	4	16.66	Wabasso Cotton	135	48	...	...	46	...	46	42½	46	50
...	5,000,000	3,302,600	6	6.81	Wayagamack	150¼	71	89	88	86	85½	88	82	86	472
...	2,449,588	1,371,55[illegible]	8+15	6.66	West. Can. Flour	145	105	...	...	...	...	...	...	...	...
...	9,000,000	10,130,000	...	...	Winnipeg Rly	38	26	39	36	41	40½	41¼	39	40⅞	666
...	1,500,000	600,00	1½+2	7.31	Windsor Hotel	100	70	...	...	125	...	122	120	122	152
...	1,718,600	410,000	8+5	8.00	Woods Mfg. com	110	[illegible]	...	...	...	...	...	...	...	...
1,546 500	...	...	7	8.53	Woods Mfg. pref	86	78¼	...	...	...	...	...	...	...	...

BANKS

Capital	Reserve	Div. Rate	Yield to Jan. 4	BANKS	Range 1920 High	Range 1920 Low	Range 1921 to Jan. 4 High	Range 1921 to Jan. 4 Low	Close Jan. 11 Ask	Close Jan. 11 Bid	Week Ending Jan. 11 High	Week Ending Jan. 11 Low	Week Ending Jan. 11 Close	Sales
15,000,000	15,000,000	12+1	6.62	Commerce	199½	173¼	182	179¾	184	183	183¾	181	183	250
6,000,000	7,000,000	12+½	6.26	Dominion	206	190	191½	...	201	199	202	191½	202	32
4,000,000	4,200,000	12	7.10	Hamilton	194	168	169⅝	...	...	172½	172	169½	172	61
4,000,000	4,000,000	10	6.53	Hochelaga	158½	151	...	...	...	...	153	153	153	5
7,000,000	7,500 000	12	6.46	Imperial	200	184	185½	...	188	186	186	186	186	51
8,400,000	8,400,000	12	7.10	Merchants	203	158	169⅜	168	...	170	180	169½	180	310
4,000,000	5,000,000	12	7.05	Molsons	194	169	...	...	...	168	170	168½	170	33
22,000,000	22,000,000	12+2	6.12	Montreal	220½	185	196	...	...	200	202½	195½	202½	197
2,000,000	2,300,000	12	6.89	Nationale	174	162¾	...	...	...	...	174	171	174	8
9,700,000	18,000,000	16	6.40	Nova Scotia	273	243	250	249	250	249	254	249½	254	95
20,134,010	20,134,010	12+2	6.18	Royal	233½	189½	194½	193½	...	197	198⅞	194	198⅞	387
3,500,000	4,500,000	14	7.00	Standard	222	200	200	...	...	198	200	198	198	168
5,000,000	6,000,000	12	6.59	Toronto	197	179	...	...	...	182¼	182	182	182	32
8,000,000	6,000,000	10+2	7.02	Union	161	139	142½	...	...	150	152¾	146	151	104

LOAN, TRUST AND INSURANCE

LOAN, TRUST AND INSURANCE	Div. 1920	Div. Rate 1921	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid	Last Sale	LOAN, TRUST AND INSURANCE	Div. 1920	Div. Rate 1921	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid	Last Sale
Canada Landed	10	10	150½	110	135	...	130¼	Montreal Loan	12	...	165	155	...	...	155
Canada Permanent	10	10	178	157	...	163	166	National Trust	10	12	230	198	...	...	198
Central Canada	10	10	...	...	...	...	...	Ontario Loan	10	10+¼	160	155	...	160	155
Col. Investment pref	6	6	82	67	...	77	77	Real Estate Loan	7	7	95	92	...	...	92
Dominion Savings	5	5	72	72	75	...	72								
Great West. Per	5	...	...	...	...	...	89½	Toronto General Trusts	10+1	12	211	196½	...	179	180
Hamilton Provident	9	9	146	145	...	140	140	Toronto Mortgage	9	9	135	129½	...	130	132
Huron & Erie	6+4	6+½	113½	110	...	112½	112½	Toronto Savings	10	10	...	...	...	...	18 5
Landed Banking	8	8	142	141	...	137	141	Union Trust	7	7	...	...	140	...	172
London and Canadian	9	9	126	110	115	112	115	Confederation Life	20	20	310	300	...	...	...

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Subscribed Capital	£38,096,363
Paid-up Capital	10,840,112
Reserve Fund	10,840,112
Deposits (June 30th, 1920)	367,667,322

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OVER 1,440 OFFICES IN ENGLAND AND WALES
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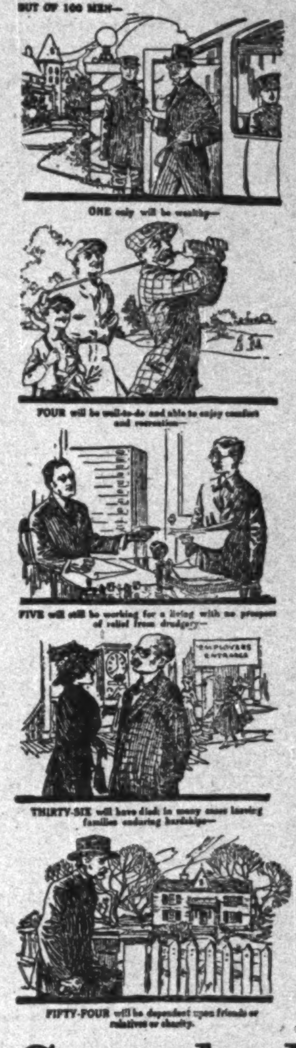
To Become Wealthy

Is an Ambition that is Cherished by Many.



You, perhaps, have the same ambition. At least, you want to be well-to-do later on, and able to enjoy life in comfort and independence.

What are Your Chances?

Experience shows that of 100 average healthy men 25 years of age the following will be true at 65:

1 only will be wealthy.
4 will be well-to-do.
5 will be compelled to go on working for a living.
36 will be dead.
54 will be dependent upon relatives, friends or charity.

Facing These Facts—

can you afford to go along in a haphazard way without a definite plan of saving and investment; uncertain whether you will be well-off or an object of charity.

The responsibility rests with You

It depends upon how you save and invest. There need be no such uncertainty about your future if you adopt the safe and definite plan of setting aside a deposit regularly each year for a Canada Life "Endowment at 65".

It will guarantee you in Cash—

at age 65, the sum of

$1,000 $5,000 $10,000 $20,000

or more, depending on your ability to save.

It is a Certainty

The full amount of your policy will be paid in any case, whether you live or die. Other investments may depreciate in value or fail. We offer you a certainty. The guarantee will take care of your home, or your business, or your personal interests, as nothing else can.

Profits will hasten maturity

If the profits be allowed to remain at your credit each year instead of being withdrawn, the face of the policy will be payable to you before you reach 65.

Whatever your circumstances may be later on in life, you will welcome this fund of a few thousand dollars. You may need it then.

Ask for Particulars

Canada Life
Established 1847

Canada Life Assurance Company, Toronto:

DEVELOPMENTS OF ARCTIC OIL START THIS YEAR

Statement by President of Imperial Oil Company

CANADA'S FUTURE

Mr. Stillman Says This Country Must Be Made Self-Sustaining as Regards Oil

NEW YORK.—In an interview regarding the outlook for the oil industry during 1921, C. O. Stillman, president of Imperial Oil, Ltd., a subsidiary of Standard Oil Co., of New Jersey, says he does not look into the future with any degree of apprehension. The inherently sound position of the petroleum industry is the reason, he says, why the oil business has suffered so slightly in comparison with other businesses.

A beginning of the work to make a commercial proposition of the company's well at Fort Norman, North West Territory, within 150 miles of the Arctic Circle, will be attempted this year, Mr. Stillman said. This is brought about by worldwide conditions which make it necessary that Canada be self-sustaining in regard to her petroleum requirements.

Discussing the oil business from the point of view of Canada's requirements, as well as the industry as a whole, Mr. Stillman said:

"In addition to the daily changing problems and the almost continuous transformation of conditions which the oil man soon learns to accept as routine, the Canadian industry has an especial and extremely serious problem of its own. That problem is exchange. As one of the greatest factors in building up the markets of the United States, Canada should send to your country a much larger volume of goods than she does, and she should be encouraged in this. At present, however, her purchases from the United States are over double her sales and this and other circumstances have produced the depreciation on the Canadian dollar in New York.

"As is well known, Canada produces only a proportion of her annual consumption of petroleum. The Canadian oil companies, in securing their raw material, a major part of which comes from the United States and Mexico, must compete against all the other importers from the United States for American funds in which to make their remittances.

"Imperial Oil, Ltd., and, I believe, some of the other Canadian companies [illegible] have been impelled by this circumstance and others to prosecute with increasing vigor the search for oil in Canada. In our own case these activities have extended over a number of years and have covered a wide area, but without result except in one instance—that of the well at Fort Norman — in the North-West Territories.

"But for the existing world situation this well would have not much more than an academic interest, but the necessity of making Canada self-sustaining in respect to her petroleum supplies has become so vital that no such indication of a field such as has been presented by our expedition to Fort Norman can be neglected. To practical oil men, of course, it is hardly necessary to emphasize the obstacles confronting the project of making a commercial proposition of a well within 150 miles of the Arctic Circle and 1,900 miles beyond the most northerly city in Canada. To complete the task will undoubtedly require a period of years, but a beginning will be attempted this year.

"Regarding the general situation of the industry, I should say that manufacturers of petroleum products, like manufacturers of everything else, have a responsibility resting upon them at the present time to keep business on an even keel, and especially to demonstrate their consideration for labor. There is nothing as wasteful as giving a man a perfectly useless thing to do in order that he may be supported, but in times like these it seems to me to be the duty of those who command industry to exercise their utmost abilities in finding productive channels in which to direct surplus labor. On the other hand, the squeeze through which we are passing should eliminate the last traces of the malingering which in the boom days put actual wages so far above their apparent level.

"I believe the reason the petroleum industry has suffered so slightly in comparison with others is its inherently sound position, and while we cannot expect to escape the effects of business readjustments that are going on around us, I do not look into the future of the oil industry with any degree of apprehension."

INGOT PRODUCTION

Total Output for Year Will Show Increase

NEW YORK.—Steel ingot production for the month of December of thirty companies making about 85 per cent. of the country's total production was 2,340,365 gross tons, compared with 2,638,670 tons in November and 3,015,982 tons in October, according to report of the American Iron & Steel Institute. December production is the smallest of any month of 1920.

Total output for entire year, based upon the thirty companies' twelve months' production of 34,342,252 tons, would be approximately 40,500,000 tons. Actual 1919 output was 33,694,695 tons and 1918 output was 43,051,022 tons.

STEEL'S BOOKINGS

Unfilled Orders Showed a Reduction In December

NEW YORK.—United States Steel Corporation reports unfilled tonnage on hand December 31, 1920, amounting to 8,148,122 tons, against 9,021,481 on November 30, a decrease of 873,359 tons. On October 31, 1920, unfilled orders aggregated 9,836,852 tons; on September 30, 1920, 10,374,804, and on December 31, 1919, 8,265,366.

U. S. Steel shipments in December were in the neighborhood of 1,200,000 tons, and incoming orders must have been close to 600,000 tons. Hence about 250,000 tons of the 873,359 tons decrease in booking reported for the month would appear to be attributable to cancellations.

TRADE WITH HOLLAND SHOWING INCREASE

Big Increase in Exports as Between 1918 and Year Just Closed

OTTAWA.—The presence in Ottawa this week of a business man from Holland draws attention to the interesting trend of trade between Canada and that country very recently. This visitor, Mr. Warnaar, states that unsettled conditions in Europe are having a serious effect on Holland's trade. Much of Germany's trade was shipped via Holland for transportation up the Rhine, but there is practically no inland traffic on that river now. The delay of the United States in making peace with Germany and in the decision as to the indemnity she must pay as well as restrictions imposed by Germany itself has had the effect of leaving foodstuffs to spoil in Holland through inability to ship the same.

Canadian imports from Holland last year were $3,700,000, a six-fold increase over 1918; but our exports took a more surprising jump. In 1918 they were only $602,000. In 1920 they were $16,275,000. The latest trade returns by classification—those for the seven months ending October—fail to account for this, as the total exports shown there show a total of less than a million and a half. Presumably there have been very large exports of coal in November in addition to shipments of wheat to the value of nearly $8,000,000. — T.M.F.

BONUS EXEMPT ONLY IF ALREADY TAXED

Misinterpretation of Financial Post Article Causes Some Confusion

Much confusion has been caused through the misinterpretation by daily newspapers of an article which appeared in THE FINANCIAL POST two weeks ago to the effect that a bonus paid to employees out of net profits is not subject to income tax. It was assumed in some quarters that this ruling would have the effect of exempting from income tax assessment all bonuses paid to employees, which is, of course, incorrect.

Writing to THE FINANCIAL POST on the subject, R. W. Breadner, Commissioner of Taxation for the Dominion, states:

"For purposes of taxation any bonus or other item of compensation paid to an officer or emplee by a corporation, firm or individual in addition to his regular salary and wages, as additional compensation for services rendered, as a regard for past endeavors or a stimulus to further zeal and enthusiasm in the discharge of his duties constitutes taxable income, which must be reported in the returns of both employer and employee."

This, however, does not affect the point made by THE FINANCIAL POST, which was based on an actual incident where a bonus paid by a Toronto firm to several of its employees was exempted from income tax by the department.

In this case the firm had already charged all salaries and ordinary bonuses to expense, and after determining its net profits paid the usual income tax thereon. After paying the tax it was decided to make an additional distribution to certain officers, based on the net profits. As taxes had already been paid on the funds which were paid out as bonuses, the officers who benefited thereby took the matter up with the income tax officials and were allowed to deduct the amount of the bonus from their gross assessment. It will readily be seen that this is a special case and not one that would govern with the ordinary bonuses paid to employees.

Figures based on returns compiled by the New York "Journal of Commerce" show that charters filed during 1920 for new enterprises under laws of principal States with authorized capital of $100,000 or over involved the sum of $13,998,944,200.

GERMAN PAPER EXPECTED TO BE A PRICE FACTOR

But Shipments to America Will Be Comparatively Small

THE MARKET OUTLOOK

Readjustment to Lower Levels is To Be Looked for After the First Quarter of the Year

The following interesting summary of the paper situation—particularly newsprint—is from the "Wall Street Journal," and indicates how the future market for this product is viewed from the American standpoint. No early decline in prices is looked for, but it is anticipated that European imports, although comparatively not large, will be a factor in bringing about a readjustment. European exchange is, of course, a big factor in regard to shipments from over the Atlantic.

Up to very recently, the American and Canadian pulp and paper makers have things pretty much their own way. The absence of foreign competition, owing to war conditions, caused a scarcity over here, and, correspondingly, very high prices. Conditions are rapidly changing, however, and it is reported that foreign makers, principally from the Scandinavian countries and Germany, will soon be ready to make shipments here in large quantities. In fact, it is understood that some large American consumers have already arranged for imports and that they have contracted with the Scandinavian and German firms for some important shipments.

Imports are likely to play a rather large part in the domestic situation, especially with regard to newsprint. Germany, for example, according to a German cabinet official, is able to ship here at the rate of 50,000 to 100,- tons annually for the next three years. There are no figures available to show how much the Scandinavian countries can send. Inasmuch as these countries have always been big exporters, it is to be presumed that they can at least equal the maximum of possible German shipments. In other words, we can expect newsprint from abroad to be dumped here at the [illegible] minimum rate of 150,000 tons annually. This is not a very large amount compared to North American production, but it is, nevertheless, a factor to take into consideration in connection with a possible drop in prices.

Confusing Situation

At present the situation in the paper industry is rather confused. This is particularly true of newsprint. The spot market shows a tendency toward weakness, but this is not so much due to a falling off in demand as it is to the desire of placating some of the national legislators who threaten a Federal inquiry.

The drop in spot prices, however, is of no special significance, as only 10 per cent. to 15 per cent. of the total output is sold on spot. The rest goes to contract. Contract prices still remain very high, although one of the largest producers has recently cut the contract price from 5 to 4 cents a pound on newsprint, in rolls, in carload lots. A clear idea as to the probable future course of contract for newsprint is afforded by the very evident weakness in certain grades of pulpwood. Thus rough Maine pulpwood has receded from $21 to about $13 a cord. Peeled pulpwood has dropped from $28 to $21 a cord.

It is hardly probable that newsprint prices for contracts will drop much within the next few months. Foreign competition is not yet important enough to make any appreciable difference in the situation. Before the end of next year, however, there is good reason to believe that there will be some heavy cuts in both spot and contract prices. This impression is strengthened by the now very probable increase in imports, and also by the probable falling off in advertising, due to the changed economic situation. This latter factor, of course, would cut down space required and would, therefore, have an effect on reducing demand, with consequent recessions in price.

Summarizing briefly, we do not expect any important change to take place in the paper situation, with especial emphasis on newsprint, in the near future. After the first quarter of the new year, however, the tendency should be downward.

New financing by American railroad and industrial corporations during past year indicated record total of $3,106,930,500, or increase of $85,759,200 over 1919, which year had the distinction of being the banner one in the matter of corporate borrowing.

GILLETTE SAFETY RAZOR

Profits for 1920 Estimated at $36 a Share—Unbroken Dividend

Purchase of stock of the Gillette Safety Razor Company is recommended by the T. K. Dickenson Company, of Montreal. In their latest market letter attention is called to the position of the company, and the progress that has been made in the past eight or nine years. The entire capital of the company consists of 250,000 shares of stock of no par value, and on this stock dividends and cash bonuses have been paid varying from $7 a share in 1917 to $12 per share in 1920. The dividend record of the company has been unbroken since 1906. It is estimated that there are in active commission approximately 18,000,000 Gillette razors and the consumption of blades is in the neighborhood of 240,000,000 per annum. Estimated earnings for the year 1920 are $6,800,000 which compares with $6,025,350 for the previous year. Undivided profits for 1920 based on these earnings will be more than $36 per share.

FRENCH COAL SUPPLY

Has Enough to Supply All Needs for Six Months

Announced from Paris that both governmental and commercial officials stated Jan. 5 that France has surplus of coal large enough to supply all her economic and domestic needs for next 6 months. Stated that contracts with American coal companies for more than $100,000,000 worth of coal have been cancelled, while price of American coal delivered at French ports has fallen from $32 a ton to $12.50 a ton within last two months.

According to the New York "Journal of Commerce" new oil companies incorporated in the United States in 1920 numbered 1,712 with aggregate authorized capital of $2,786,814,000, about $1,000,000,000 below 1919 record.

GETTING A HOLD ON TRADE WITH TRINIDAD

Canada Led All Other Countries in Supplying Island With Foodstuffs

By Resident Representative.

OTTAWA.—Canada is securing a very satisfactory hold on the trade of Trinidad, one of the most prosperous of the British West India Islands. Statistics received here from Trinidad for the full year 1919 — which are the latest available—show that we led all other countries in supplying the colony with foodstuffs, our exports amounting to $4,204,000. The bulk of this was flour and salt fish. We also sold her raw material valued at $203,270 as compared with $90,165 the previous year, and manufactures amounting to $555,688, or nearly double the trade of 1918. The total import trade with Canada was over $5,000,000 as compared with $3,850,000 in 1918.

The proportion of the import trade held by Canada shows a steady increase from 9.1 per cent. in 1913 to 20.5 per cent. in 1919. The increase was largely at the expense of Great Britain. In flour and butter Canada now has practically a monopoly, and it may be noted that this is largely due to the intensive manner in which Canadian exporters of those articles have studied their market.

IMPROVED TONE DEVELOPS UPON STOCK MARKETS

Continued from page 1

days. In the industrial list the steels gave perhaps the most definite demonstration of strength, and were in steady demand. The paper securities were the dilatory members and while minor gains are noted in a number of cases the upward trend was not very decided. The papers have lost the buoyancy that was such an outstanding characteristic a number of months ago, and fail to respond in any pronounced degree to news of a favorable character.

While the demand this week originated in sources primarily interested in investment there was evident also that speculative interests were at work. A number of constructive influences were prominent this week. Money is said to be in freer supply. The exchange markets have shown improvement. Wall street displayed a distinctly firmer tone and reports from industrial centres throughout the continent and particularly in the United States indicate that industry is beginning to pick up again. The period of liquidation is undoubtedly near the end, and the way is now being prepared for a revival of trade on a large scale. Just when this will materialize is of course doubtful at present, but there are investigators who do not hesitate to declare that business will be back to normal by spring or early summer. The stock market development of the present week may be an indication that the turn is at hand.

ROBT. SIMPSON PFD.

A very high-grade security, which shows Net Assets equal to [illegible] per share.

Earnings for last five years, after all charges, are equal to 32% per year on each share of Preferred Stock.

At present price this security will yield 8 per cent.

STOBIE FORLONG & CO.
Members Toronto Stock Exchange
10-12 KING STREET EAST
HAMILTON TORONTO [illegible]

What Are You Doing to Meet the New Conditions?

When war gave place to business, the country's trade was stabilized and strengthened by far-sighted merchants, wholesalers and manufacturers who "carried on" and courageously made the most of conditions as they appeared.

To-day—

The events of the past should teach us to look ahead. If the best policy in 1918 was to "carry on"—it is more so to-day to go forward—to build business sanely and thoroughly.

Your merchants are waiting for any sign that will give a hint of your policy —if you mark time, they, too, will mark time—if you go forward, they will go with you.

From all sides comes increasing evidence of this supreme importance of dealer co-operation. The merchant to-day is waiting for a word from you of your policy, and he will do his part to recreate consumer-demand and start the stream of goods once more moving across the counter.

Tell your merchants in straightforward, business-like talks in the business newspaper he is reading, what you have to offer—your plans for the year. Never was time more opportune, not only for the expansion of trade, but to establish thorough co-operation with the merchant who sells your goods.

Business can be made good. Business can always be good when it is gone after in the right way—your dealers know only what you tell them about your 1921 plans. They cannot be expected to share your enthusiasm unless they are as familiar with it as you.

The merchant's interests are your interests. Take him into your confidence, give him the facts—tell him in regular announcements in his business paper what you are doing to stabilize business.

You can hold his enthusiasm by regular announcements in his business newspaper. To-day, more than ever, he is reading the merchandising plans in the advertising pages—the marketing ideas and methods and news in the editorial pages—for both are focused directly on the merchant's vital problems.

We are interviewing hundreds of merchants every week in all parts of Canada, and the best suggestion we can make is to "CARRY ON."

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The Financial Post
Bookseller & Stationer
Canadian Grocer
Dry Goods Review
Hardware & Metal
Men's Wear Review
Sanitary Engineer
Druggists' Weekly

PROSPERITY WAVE IS NOW ON THE EBB IN NEWFOUNDLAND

Zenith of War Prosperity Was Reached Beginning of 1920

RAILROAD PROBLEM

Government Interferes in Efficient Private Enterprise After Keeping Freight Rates at Starvation Level

ST. JOHN'S.—The opening of the year 1920 witnessed the rising of a tide of unusual prosperity in this island. The closing of the year finds the flood on the wane. Until well on in the year Newfoundland's industry was running at top notch, and her commodities and products realized unprecedented prices in the world's markets. But the first evidence of the receding of the wave of good times has come more and more into prominence and is manifest by a slackening in production and a lowering of prices. Perhaps no country in the world, all things considered, has enjoyed better fortune than Newfoundland during the later years of the war. This fact can be best proved by the figures of her imports and exports during the years since the war began. Although these are compiled for the years ending on June 30, they will serve for the calendar years preceding, as little trade is done during the winter, and the six months from July to December really represent two-thirds of the annual operations. The following are the figures;

Year Ended June 30.	Imports	Exports	Total
1914	15,193,726	15,134,543	30,328,269
1915	12,350,786	13,136,880	25,487,660
1916	16,427,336	18,869,493	35,396,829
1917	21,318,310	22,381,762	43,700,072
1918	26,892,946	30,153,517	57,046,463
1919	32,297,184	36,784,616	68,981,800
1920	40,533,388	34,865,438	75,398,826

It will be seen from the foregoing figures that while there was a decline, both in imports and exports, during the year 1914-15, due to the economic and industrial disturbances which followed on the outbreak of the war, there was a speedy readjustment and a gradual advance in the succeeding years, resulting from the almost insatiable demand in Europe for our codfish and for the cod, salmon and whale oils from which was extracted the glycerine so essential in the making of munitions. The figures of codfish exports, values and price per quintal (112 pounds) during the same period are as follows:

Yr. ended June 30	Dry Cod Quantity	Dry Cod Value.	Value per Quintal.
1913-14	*1,247,214	$ 8,071,899	$6.47
1914-15	1,094,242	7,332,287	5.20
1915-16	1,421,327	10,394,041	7.31
1916-17	1,568,020	12,876,847	8.21
1917-18	1,821,206	18,829,560	10.34
1918-19	1,681,770	24,318,836	14.40
1919-20	1,730,015	22,677,525	12.00

*Means quintal—112 pounds.

Reduced Prices Appear

The world-wide tendency toward reduced prices is showing itself in regard to our own fishery products and a word of warning as to the downward trend of prices was uttered by the Board of Trade (Chamber of Commerce) at St. John's in its annual report for 1918, issued in the early days of the present year. It is safe to say, however, that not even the most pessimistic among us expected such a condition as exists at present, and such a feeling of concern for the community as now exists.

Pulp and Paper

Next in importance to the fisheries is now the pulp and paper industry. This has been carried on at full capacity all last year. The Anglo-New Foundland Development Company's mills at Grand Falls have been maintaining an output of 215 tons of newsprint paper daily, with a surplus of mechanical pulp, and the smaller pulp mills at Bishop's Falls has been turning out 100 tons of the latter commodity daily in the same way. Logging operations for pulp wood were not actively prosecuted by either company in the winter of 1919-20 because of the exceptional severity of the weather, which blocked the railways, the highways and even the trails through the country from January until April, 1920, making it difficult either for men to work or for supplies to be furnished them. Consequently the former company used up most of its reserve stock of logs, and has therefore had to make plans to operate on a largely increased scale this autumn and the coming winter.

Mining Operations

Mining operations in Newfoundland last year have been confined almost entirely to the continued production of hematite iron ore, but on a reduced scale compared with the previous year as a result of overproduction by two Canadian steel companies which own and operate the mines at Bell Island, in Conception Bay, whence are drawn the supplies for the smelters and steel works in Sydney and New Glasgow, N. S.

Copper mines on the north shore which were worked in a small way in previous years have not been operated the last two seasons, but development work on one is being continued and it is hoped to have it operating again this year.

The ordinary local industries, factories making rope, nails, iron, ready-made clothing, soap, candles, boots and shoes, woodwork and the like have been operating along normal lines during the year and their output may be regarded as fully up to the average of recent years. Possibly, indeed, it may have exceeded that, as the high price of imported goods, with the heavy tariff thereon averaging about 40 per cent., has created a tendency toward the purchase of the cheaper, if less finished, local materials. Unfortunately, however, the depression prevailing at the present is affecting these concerns also, and several of the factories in St. John's have been working on part time for several weeks past, and it is reported that some may temporarily suspend for a period.

As a result of the poor fisheries and small prices prevailing at the close of the year, there has been a large outgo of people from the country, an unusual percentage of whom will probably not return, but locate permanently in Canada and the United States, and because of the lack of labor it is feared there will be much distress in the island this winter.

Railroad Problem

The most serious outstanding circumstance in the future of the island, in the opinion of many observers, that has eventuated this year is the decision of the government to associate itself more or less with the control and operation of the railroad system of the colony. The railroad and allied steamships, forming a unified passenger and freight service for the most of the island, has been operated by the Reid brothers, sons of the late Sir Robert Reid, who built the railroad and controlled it until his death in 1908, after which his sons took over the responsibility. They have supplied to the government figures showing that for years past they have been operating at a loss, and during the war the magnitude of the annual shortage was increased greatly by the heavier cost of labor, coal, materials, etc., and the lack of any proportionate increase in the rates which they were permitted to charge under their contract.

U. S. TRADE WITH GERMANS REVIVES

Aggregated Nearly Four Hundred Million Dollars for Past Year

NEW YORK.—Trade of the United States with Germany in the year just ended aggregated nearly $400,000,000 against $533,000,000 in the biggest year preceding the war—the calendar year 1913. This estimate says a statement by the National City Bank, as to the trade with Germany during the full year is based upon actual figures for the eleven months, which show exports to Germany in the eleven months ending with November, 1920, at $253,000,000 and imports from Germany in the same period $84,000,000. Should the December figures equal or even approximate those of November, the grand total of trade with Germany for the calendar year 1920 would fall little short of $400,000,000, as against the high water mark of $533,000,000 in 1913, for it happened that the year immediately preceding the war showed that our trade with Germany was bigger in value than in any preceding year.

Of course, it does not follow, adds the bank's statement, that the approximately $400,000,000 worth of merchandise forming our trade with Germany in the calendar year 1920 represents anything like the quantity of material represented by an equivalent sum prior to the war, for, even measured in our own gold standard, the valuation per unit of quantity is now fully twice as much per pound or per ton or bushel or barrel or gallon as prior to the war. But nevertheless, it is a fact that in stated value, measured by United States dollars, the trade of 1920 with Germany is about three-fourths as large as in the biggest year preceding the war, but in quantity probably less than half as much.

India's position as an industrial country is presented in striking figures, from official British sources, which have been submitted to the Secretary-General of the League of Nations. Details disclose that more than 50,000,000 persons were employed in the various industries and domestic service in India in 1916.

SHIPS AVAILABLE TO DEVELOP OUR FOREIGN TRADE

The Exchange Problem, However, Still Remains To Be Solved

FINANCING EXPORTS

Up to America to Realize That Credits Must Be Extended if Europe Is To Be Able to Buy to Meet Needs

By Resident Representative.

ST. JOHN.—Optimism in regard to the future of Canada's foreign trade is rather strong, if we may judge from the announcements of sailings from this port during the winter season. In addition to the various new services being established by the Canadian Government Merchant Marine, which is now carying the flag of Canada to all the Seven seas, British companies will open new services to this port and Halifax and the C. P. R. and other lines will enlarge their services. If the schedules already published are adhered to, and cargo found for all the boats, the facilities of this port will be taxed to a greater extent than they were last year.

So far, there has been little grain movement through St. John. But Mr. Hayes, manager of the eastern division of the C. N. R., has expressed the view that the grain traffic will be large before the winter is over. He is also optimistic about the outlook for the general export traffic. Local shipping men are, however, disinclined to make predictions, as there are so many factors in the shipping situation and the trade outlook about which there is considerable uncertainty. The only thing certain is that if the Canadian business men are in a position to go after foreign trade there will be no lack of shipping facilities to handle their business. It may be said too that Canada at the present juncture seems to possess some strategic advantages in seeking for foreign trade. The exchange situation is not so much against her as it is against the United States. And the shipping using Canadian ports is generally operated more economically than American shipping. Nor is shipping using Canadian ports subjected to the long delays in port, which have caused such heavy expense and annoyance to shipping companies using American ports during the past six months or so.

Then shipping companies trading between Canada and the United Kingdom and other countries in Europe are not affected by the high cost of coal or oil fuel to the same extent as ships trading to Argentina or Australia. Shipping difficulties as well as the exchange situation has made it impossible for South America to market her produce in any considerable quantity during the past year. It is reported that many Spanish companies which trade largely with South America are considering laying up their ships, owing to the high costs of operation and the difficulties of obtaining bunker coal. A local shipping man says:

"Europe has not been a purchaser of commodities on a large scale for some time. There was a big slump in the export business of the United States this summer, and considerable gloom in Boston, New York and other shipping ports. Ships sailing from Canadian ports carried better cargoes, and, relatively speaking, I think, our import business has been beter, though it was not up to expectations.

"At present Europe undoubtedly needs many commodities that Canada and the United States can supply. Also Europe is increasing the stock of merchandise which she wants to sell, though not as rapidly as she might do if she were in a better position to buy raw materials. The exchange situation is the principal obstacle to trade. We read a lot about the exchange situation being the result of economic laws. Some business men talk of economic laws as if they were mysterious entities that ruled our lives without regard to our own actions or wills. Similarly the savage once stood in awe of natural phenomena. But mankind has penetrated most of the erstwhile mysteries of nature, and has learned how to harness natural forces to his services. And there is no longer any reason for a superstitious attitude to what we call economic laws. All economic phenomena are the resultant of human activity, and capable of human control. Once upon a time a creditor had the legal right to treat a debtor as if he were a chattel slave. International business morality is in some respects in about the same stage of development—that is the best explanation of the present exchange situation that I know. United States finance is the master of the situation, and it penalizes the debtor nations. Certain interests that occupy strategic positions may benefit by the present exchange situation, but the United States, as a whole, does not. Manufacturers and farmers are not able to sell their products in foreign markets, now that foreign governments no longer act under the imperative necessity of war; industry is slowing down, farmers are burning corn for fuel and armies of workers are being thrown out of employment.

"America can't afford a serious business reaction. Its large unassimilated foreign population and its race question have been causing enough trouble in time of plenty. Even its native born workers, trained to war, will not be patient if hard times come, and unlike the British workers they have no well developed political movement—no training in constitutional action. Hard times in the United States would recruit the ranks of the direct actionists.

"In this situation the big financial interests in the United States are bound to take measures to re-establish foreign trade, and give the manufacturers and farmers an opportunity to sell their products. They must develop a new international business morality. Once upon a time the big wholesaler closed out the little retailer as soon as he failed to meet his bills, or a little later anyway. Now we have credit men's associations, and a new relation between the wholesaler and the retailer. When a merchant is slow in making payments experts look into his business to determine his troubles. And he is given advice, encouragement and extended credit, unless he is found to be hopelessly incompetent or dishonest.

"In effect the exchange situation is based on the assumption that nations of Europe, including Great Britain, are incompetent and dishonest. That is a dangerous assumption, even if Canada, through a favored position, is a party of the first part. It cannot be maintained for very long unless America is prepared to justify it by force.

"But it is not this phase of the situation which will oblige Uncle Sam to adopt a new international business morality. The impelling force will be domestic—the need of keeping the wheels of industry moving.

"If Uncle Sam does not move in this matter international friction, and domestic troubles will soon set the world on fire. And if Uncle Sam does move Canada is in a position to keep a lap ahead if she grasps her opportunities to develop foreign trade."

INTERNATIONAL MACHINES

Plan Bigger Things for Present Year—Successful Period

A 50 per cent. increase in business in 1921 over the returns for 1920 is the task that the Canadian sales force of the International Business Machine Company assigned for itself at the convention held in the Toronto office last week. Reports of business for 1920 were most encouraging, and indicated that the Canadian organization held all sales records against the sales forces of American firms manufacturing similar products. In fact the Canadian organization has led the entire world in sales, on percentage quota, for four successive years.

THE BANK OF TORONTO

REPORT OF THE SIXTY-FIFTH ANNUAL GENERAL MEETING

The Sixty-Fifth Annual General Meeting of The Bank of Toronto was held at the Head Office in Toronto on Wednesday, 12th January, 1921.

On motion the Chair was taken by the President, Mr. W. G. Gooderham; the Assistant General Manager, Mr. John R. Lamb, was requested to act as Secretary, and Mr. George R. Hargraft and Major A. E. Duncanson were appointed Scrutineers.

The Secretary read the Annual Report, as follows:

The Directors of The Bank of Toronto beg to present their Report for the year ending 30th November, 1920, accompanied by the Statement of the Bank's affairs and the results of the operations for the year.

PROFIT AND LOSS ACCOUNT.

The Balance at credit of Profit and Loss, on November 29th, 1919, was		$ 793,983.03
The Net Profits for the year, after making full provision for all bad and doubtful debts, and deducting expenses, interest accrued on deposits and rebate on current discounts, amounted to the sum of		1,017,371.24
		$1,811,354.27
This sum has been appropriated as follows:		
Dividends Nos. 154 to 157 at twelve per cent. per annum		$ 600,000.00
Reserved for Taxes	$100,000.00	
Transferred to Officers' Pension Fund	25,000.00	
Written off Bank Premises	100,000.00	
		225,000.00
Carried forward to next year		986,354.27
		$1,811,354.27

There has been a constant demand for credit during the year, and the available funds of the Bank have been actively employed with satisfactory results.

The Head Office and Branches have been regularly inspected by the Inspection Staff, and at the Head Office the usual inspection of cash and securities has also been made.

Mr. G. T. Clarkson, C.A., the Auditor appointed by the Shareholders of the Bank, has made his examination of our principal offices and his report is appended to the General Statement presented herewith. Mr. Clarkson's name will be submitted to you for reappointment as Auditor.

Eight new Branches of the Bank have been opened during the year, and three Branches closed, making 161 Branches now in operation.

A Resolution will be submitted to you by the Directors at the Annual Meeting requesting your authority to increase the number of Directors on the Board.

All of which is respectfully submitted.

W. G. GOODERHAM,
President.

GENERAL STATEMENT

30TH NOVEMBER, 1920.

LIABILITIES

Notes in circulation		$ 8,497,128.00
Deposits bearing interest, including interest accrued to date of statement	$62,542,753.81	
Deposits not bearing interest	18,615,133.48	
		81,157,887.29
Balances due to other banks in Canada	$ 243,812.85	
Balances due to banks and banking correspondents in the United Kingdom and foreign countries	1,497,933.95	
		1,741,746.80
Quarterly dividend, payable 1st December, 1920	$ 150,000.00	
Dividends unpaid	1,088.00	
		151,088.00
Acceptances under letters of credit		285,685.57
		$ 91,833,535.66
Capital paid up	$ 5,000,000.00	
Rest	6,000,000.00	
Balance of profit and loss account carried forward	986,354.27	
		11,986,354.27
		$103,819,889.93

ASSETS

Gold and silver coin current	$ 1,006,761.22		
Dominion notes held	13,065,125.00		
Deposit in the central gold reserves	4,500,000.00		
		$18,571,886.22	
Deposit with the Minister for the purposes of the Circulation Fund		254,834.65	
Notes of other banks		751,616.55	
Cheques on other banks		6,026,559.70	
Balances due by banks and banking correspondents elsewhere than in Canada		790,811.63	
Dominion and Provincial Government securities, not exceeding market value		5,231,801.22	
Canadian municipal securities and British, foreign and colonial public securities other than Canadian		7,465,486.28	
Railway and other bonds, debentures and stocks, not exceeding market value		711,237.16	
Call and short (not exceeding thirty days) loans in Canada, on bonds, debentures and stocks		2,217,415.90	
Call and short (not exceeding thirty days) loans elsewhere than in Canada		1,000,000.00	
			$ 43,021,649.26
Other current loans and discounts in Canada (less rebate of interest, $233,435.00)		$56,753,148.13	
Overdue debts (estimated loss provided for)		193,035.50	
			56,946,183.63
Liabilities of customers under letters of credit, as per contra			285,685.57
Bank premises, at not more than cost, less amounts written off			3,566,371.47
			$103,819,889.93

W. G. GOODERHAM,
President.

THOS. F. HOW,
General Manager.

Toronto, 30th November, 1920.

AUDITOR'S REPORT TO THE SHAREHOLDERS

To the Shareholders of the Bank of Toronto:

I have compared the above Balance Sheet with the books and accounts at the chief office of the Bank of Toronto, and certified returns received from its branches, and after checking the cash and verifying the securities at the chief office and certain of the principal branches on November 30th, 1920, I certify that in my opinion such Balance Sheet exhibits a true and correct view of the state of the bank's affairs according to the best of my information, the explanations given to me, and as shown by the books of the bank.

In addition to the examination mentioned, the cash and securities at the chief office and certain of the principal branches were checked and verified by me during the year, and found to be in accord with the books of the bank.

All information and explanations required have been given to me, and all transactions of the bank which have come under my notice have, in my opinion, been within the powers of the bank.

G. T. CLARKSON,
Chartered Accountant.

Toronto, December 18th, 1920.

The Meeting was addressed by the President, Vice-President and General Manager.

The report of the Directors was adopted. By-law No. 30, increasing the number of Directors to fourteen, was passed, and Mr. G. T. Clarkson, C.A., was reappointed as Auditor.

The thanks of the Stockholders was extended to the President, Vice-President and Directors, also to the General Manager and other officers for their services during the past year.

The following Directors were elected: W. G. Gooderham, William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, Joseph Henderson, Brig.-Gen. F. S. Meighen, J. L. Englehart, William I. Gear, Paul J. Myler, A. H. Campbell, William R. Bawlf, John I. Macfarland and James D. Chaplin, M.P.

At a subsequent meeting of the Board Mr. W. G. Gooderham was re-elected President and Mr. Joseph Henderson Vice-President.

THE CANADIAN BANK OF COMMERCE

At the Fifty-Fourth Annual Meeting of the Shareholders, held in Toronto on 11th January, the Largest Earnings in the History of the Bank were Reported as the Result of the Bank's Business for the Second Year in Canada's Reconstruction Period

The President, Sir Edmund Walker, took the chair and, after the usual organization proceedings, the following Profit and Loss statement for the year ending 30th November last was submitted:

Balance at credit of Profit and Loss Account, brought forward from last year	$1,427,735.46
Net profits for the year ending 30th November, after providing for all bad and doubtful debts	3,306,243.97
	$4,733,979.37

This has been appropriated as follows:

Dividends Nos. 132, 133, 134 and 135, at twelve per cent. per annum	$1,800,000.00
Bonus of one per cent., payable 1st December	150,000.00
Dominion and Provincial Government taxes and tax on bank-note circulation	350,000.00
Written off Bank Premises	500,000.00
Transferred to Pension Fund	150,000.00
Balance carried forward	1,783,979.37
	$4,733,979.37

The report of the Directors alluded as follows to the changes in the Board which have taken place during the year:

Shortly after the last annual meeting the Vice-President, Mr. Z. A. Lash, passed away. His services to this Bank and to his country are so well known that your Directors need not enlarge upon them. He had been connected with the Bank as its solicitor since 1882, as a director since 1907, and as Vice-President since 1910. He was loved for his personality, and esteemed for his outstanding ability and his absolute integrity, beyond the fortune of most men. Your Directors also lost by death during the year Mr. J. S. Mitchell, who joined the Board in November, 1918. Identified as he was with the Eastern Townships of Quebec, where his success in business and his unusual capacity were widely recognized, his sudden death was deeply felt by this Board as well as by his fellow-citizens. To fill the vacancies thus created, the General Manager, Sir John Aird, and Sir Alexander Mackenzie, K.B.E., of Rio de Janeiro, President of the Brazilian Traction, Light and Power Company, Limited, were chosen.

After the report had been read the President requested the General Manager to address the shareholders.

GENERAL MANAGER'S ADDRESS

We have now entered upon a period such as has been looked for ever since the war ended—one of lessened activity in business and falling prices—and the statement which we present to you to-day is, except in a comparatively few particulars curiously devoid of important changes from that of a year ago.

Greater Profits

The net profits of the year amounted to $3,306,243.97, an increase of $231,351.25, although the resources of the Bank have shown little growth. The addition to our profits has been the result, partly of the activity of general business during most of the year and the consequent brisk demand for money which has kept all available funds fully employed, and partly of the fact that we have been fortunate in escaping serious losses. The conditions which have prevailed in the markets for all staple commodities since the war ended—the extraordinary demand for goods and the high prices—have caused a strong demand for money. Now that the markets are becoming more normal and prices are falling, that demand is sure to lessen. We may therefore expect easier money conditions and a lower level of profits until business becomes more active.

In addition to the regular dividend of twelve per cent. per annum, we paid last December a bonus of one per cent., making a total distribution to our shareholders of thirteen per cent. for the year. We have appropriated $350,000 towards the heavy taxes we are now called on to pay to the Governments of the Dominion and of the various Provinces of Canada, including in this the tax on our note circulation imposed under the provisions of the Special War Revenue Act of 1915. We increased our appropriation for bank premises from $250,000 last year to $300,000 this year. The high cost of all building operations in this country, and our expenditures on premises for the foreign branches recently opened, make this a prudent step.

Increase to Pension Fund

We have transferred $150,000 to the Officers' Pension Fund, an increase of $30,000 for the year, partly to provide for the growth of the staff, and partly because the actuarial examination, which took place during the year, made it clear that this was necessary. As you know, it is our custom every ten years to have the Fund examined by an actuary, and we base our contributions upon his report. This year it showed that, owing to the increase in the general level of salaries, necessitated by the heavy increase in the cost of living which followed in the train of the war, the sum per head fixed ten years ago as the basis of the Bank's contribution was no longer adequate. It was decided to replace it by a sliding scale based upon salaries, so that hereafter the contribution made by the Bank on behalf of each officer will bear a direct relation to the amount of the pension to be provided for him. Should the cost of living fall and the general level of salaries be lowered, the Bank's contributions will be lowered to a corresponding degree.

Profit and Loss Account

After making these appropriations we have been able to carry forward $1,783,979.37, or $356,243.97 more than last year. In view of the unsettled conditions at present prevailing in the business world, and the fall in prices which on more than one occasion has threatened to undermine the security for certain classes of loans, we thing it well to carry a large unappropriated balance in Profit and Loss Account as a safeguard against unexpected contingencies. Up to the present we have been extremely fortunate, in that our interest has been negligible in those branches of business most directly affected by the heavy declines which have taken place.

Deposits Increase

The increase in our note circulation is $669,255, an indication of a large volume of current business, but a very small proportion of the total, which now stands at $30,716,914. As business slackens and prices fall we may naturally look for some reduction in this item. Our deposits stand, as a whole, at almost the same level as a year ago, the increase being only a little more than a quarter of a million dollars, but deposits bearing interest, the most stable part of deposit business, have increased by the large sum of $43,148,818. This is a gratifying and remarkable showing, particularly when considered in the light of the total subscriptions of customers of this Bank to the various Dominion Government War Loans, as reported by our branches, namely:

1915	1st War Loan	$ 8,142,000
1916	2nd War Loan	18,001,400
1917	3rd War Loan	22,059,500
1917	1st Victory Loan	78,551,670
1918	2nd Victory Loan	104,474,950
1919	3rd Victory Loan	90,076,535
		$321,306,055

Notwithstanding the tremendous drain upon the deposits of this Bank which these huge subscriptions involved, we feel proud of the aid afforded by our customers to the Government in this war financing. Courage and foresight were needed by our branch managers when they saw their cherished and hard-earned deposits, gathered over a long series of years, melt away almost overnight, but the fact that the deposits of the Canadian public in this and all other banks are now double what they were at the outbreak of the war justifies the support given to the Government in its loan campaigns, even from a narrow and selfish point of view, to say nothing of that of the national welfare.

Decreased Government Balances

On the other hand, our deposits not bearing interest have decreased by $42,875,453, an amount almost equal to the increase in our interest-bearing deposits. This is more than accounted for by the decrease in Dominion Government balances, which a year ago included a large part of the proceeds of the last Victory Loan. It must also be remembered that both the demand for money, and the restraint on the further inflation of credit which we have endeavored to exercise, tend to decrease the balances carried by business houses and large commercial companies in their current accounts. Another cause which has militated against an increase in deposits has been the slow marketing of last year's grain. This tends also to keep up loans, for if the farmer does not pay his debts, the retailer is unable to pay the wholesaler, and the wholesaler must lean on the manufacturer. All along the line they will borrow from their bankers to the fullest extent possible.

Grain and a Falling Market

It is regrettable that the farmer, in this and other countries should be counselled to hold his grain on a market which has fallen very rapidly since the time of harvest and has every appearance of continuing to do so in sympathy with the general trend of business. It is obviously a highly risky and unprofitable proceeding, and likely to end in increasing class bitterness. Unaware of the real causes that govern the decline in prices, the farmer will be apt, naturally enough, to feel that all classes are working against him. The truth appears to be that, after so many years of rising prices, it has come to be accepted as an axiom that prices must continue to rise, and consequently in the very year in which all signs point in a downward direction, the unfortunate farmer feels constrained to hold his grain, unconscious of the meaning of the signs around him. There is nothing in the other items for comment, save that we may say, in passing, that the reduction in acceptances under letters of credit no doubt reflects to some extent the difficulties which at the moment confront the foreign trade of this country. To this subject we shall refer again when dealing with the foreign exchanges.

Lines of Defence

During the year our holdings of specie have increased $566,854 and Dominion notes on hand $3,952,361. There is no change in the amount deposited in the Central Gold Reserves under the heading either of gold coin or of legal tender notes. Total cash on hand has increased $4,519,215 and stands at 15.14 per cent. of our liabilities to the public, with so-called quick assets at 44.50 per cent. of these liabilities. There has been a reduction in our investments and an increase in our loans. The reduction in the former consists of $33,763,822 in Dominion and Provincial Government securities and of $9,109,916 in British, foreign and colonial public securities and Canadian municipal securities. In both cases the reductions are due to the payment of war obligations by the Dominion and Imperial Governments. There has been an increase in call and short loans, both in Canada and elsewhere, the increase in the former case being merely a nominal one. In a time of uncertainty and instability such as the present, it is well to strengthen all our lines of defense, and in the case of loans in New York, the principal call money market of this continent, this has occasioned less sacrifice of profit than is usual, as rates throughout the year have ruled at a high level for that market.

A Commanding Position

This Bank still holds a commanding position in the development of Canadian trade and commerce, its current mercantile loans in Canada amounting to the large sum of $231,114,772, or $17,925,602 more than a year ago. Similar loans elsewhere have also increased by $1,924,956. The other items of assets show little change, except Bank Premises Account, which has increased $758,086 during the year, our principal outlays in this connection being on premises for our foreign branches. Owing to the favorable position of the foreign exchanges we have been able to secure premises in Rio de Janeiro, Jamaica, Trinidad and Barbados at a very reasonable cost, and our office in Rio de Janeiro will be situated in the heart of the financial and business district of that important city. There has been an increase in our total assets of $1,116,418, a comparatively trifling amount.

Foreign Branches

In addressing you a year ago we pointed out that up till then we had been occupied with the promising openings for new branches in Canada, but that we hoped soon to give some attention to foreign fields. The policy we have followed in this respect has been one of caution, slow but sure, and we think that our judgment has been vindicated by the course of events, especially the unsettled financial conditions now prevailing in Cuba and South America. Our branch at Havana was the first to be opened, and we are well satisfied with our prospects so far made and with our prospects for the future. Kingston, Jamaica, came next in the point of time, and there, too, our business shows excellent prospects. Our office was not opened at Bridgetown, Barbados, until after the close of the Bank's year, while in Rio de Janeiro and Port of Spain, Trinidad, although our managers and their staff are now on the spot, we have not yet opened our business. We believe, however, that our outlook in all these places is bright.

An Increased Staff

Keeping pace with the growth of the Bank's business there has been a steady increase in the staff, partly through the appointment to the permanent staff of men and women who had served us well during the war and whom we have found suitable. It was thought that on the return of our men from overseas most of those on the temporary staf would have to give way to permit their reinstatement, but we are pleased that the growth of our business has made it possible for us to adopt the policy we have outlined. An increase of thirty-four in the number of branches also accounts to some extent for the increased staff.

New York Exchange

Probably at no time in the history of this country have questions connected with the foreign exchange occupied so prominent a place in the public mind as during the past year. The closeness of our relations with the great English-speaking nation to the south of us has made the prevailing high premium on New York exchange a matter of moment to a very large number of Canadians. It has come before them not only as vitally affecting importers or exporters dealing with the United States, but also, among other things, as having a direct bearing on many investments which they hold or desire to buy or sell, and even as calling for serious consideration in connection with the cost of a holiday or other visit to that country. The very technicality of the subject, the mystery by which in the popular mind the working of the exchanges is surrounded, only serves to deepen the interest felt in it. In an endeavor to throw some light upon it, especially as connected with the prevailing high premium for New York funds, we issued during the year a series of advertisements dealing in as simple a manner as possible with some of the underlying elementary principles. These attracted widespread attention and were subsequently reprinted in the form of a small brochure for general distribution. The subject has, of course, many bearings and can be discussed from many points of view. As an instance we may point out that the premium on New York funds is an assistance to such of our exports as come into competition in the markets of the world with similar goods from the United States. To the extent of the premium, the Canadian producer can accept a lower price expressed in terms of foreign currency, and will still receive as many dollars as does his competitor in the United States. During the closing part of the year, as you are doubtless aware, the rate of exchange on New York rose very high, reaching 19¼ per cent. on December 21st, the highest point on record.

Causes of High Rates

In addition to the causes usually assigned for this condition, which were commented on in our report last year, namely, excessive buying from the United States, especially of luxuries, and the payment of interest on our indebtedness to that country, the burden of which increases with every sale of Canadian securities, there are, I believe, one or two others which have played a considerable part in the recent rise. One of these is speculation on the stock exchanges, which has been so prevalent in some parts of Canada. When the stocks speculated in are those dealt in on the New York market, calls for margins have to be responded to instantly, and the sudden demand thus created for New York funds has on several occasions bee the cause of a sharp advance in rates. There are also at present large sums of money, belonging to banks and wealthy corporations in the United States, on deposit in the Canadian banks, awaiting a favorable exchange rate, and there has been a demand for the transfer of a large part of these in connection with the preparation of financial statements and other end-of-the-year requirements.

Not Canada Alone

It may, perhaps, be some consolation to reflect that Canada is not alone among the countries of the world in having to seek the solution of an exchange problem vitally affecting her trade. There are other parts of the British Empire with problems of a similar nature, but even more serious. Quite recently Australian banks have decided to remit in London funds for bills sent to Australia for collection or to negotiate commercial bills on Australia in London. The reason is a shortage of London funds, said to have arisen as a result of the suspension of the system of Government purchase and sale of the Australian wool clip. The old machinery for handling the wool has not yet been restored, and in the meantime some difficulty has occurred in financing Australian imports. It is hoped that the situation will be relieved before long when exports of Australian wheat, wool and meats go forward. The situation in India, New Zealand and South Africa is of a somewhat similar character, but not so pronounced.

Foreign Trade and Finance

It is unfortunate that these exchange difficulties should arise just at the time when strong efforts were being made to extend the foreign trade of Canada. Undoubtedly the situation as regards foreign trade is a most difficult one at the present time, not only because of exchange questions but also because of the instability of the financial situation in many foreign countries. The collapse of sugar prices in Cuba and elsewhere is one instance of this, and in a period of falling prices all over the world it is admittedly a most difficult matter to extend foreign trade. Nor is the problem rendered any more easy of solution by the high level in Canada of all costs of production, including wages. As pointed out recently by a high authority in England, "only the country in which prices are comparatively low can have an export balance in its favor." It is to be fe red, therefore, that until some readjustment of the situation takes place, there can be little probability of any material extension of our trade abroad.

I am not among the number of those who consider that there is need of a central institution, or bank of rediscount, for the purpose of financing extensions of foreign trade. In my view the facilities which are now available to the banks under the provisions of the Finance Act of 1914 are amply sufficient for all that is required, and while primarily a war measure, the principles embodied in it may well serve us in times of peace.

Government Ownership

The important experiment has recently been tried by the Dominion Government of placing the management of the publicly-owned railway lines in Canada in the hands of a corporation, the ownership and control of which reside in the Government. The experiment is an interesting one, and bids fair to determine the feasibility of successfully carrying on the business of a great corporation under Government ownership. There have been many obstacles to overcome at the start, and the traffic conditions of the year have not facilitated the task of those in charge, but it is only fair that they should be given full opportunity to demonstrate their ability to carry on the enterprise and to make the experiment a success.

Hopeful Outlook

The year we have just passed through has been one of surprises. At its commencement the tide of rising prices seemed unchecked, and the idea that a rapid fall was imminent was considered altogether preposterous. Yet this is exactly what has happened. Once again the seller is having to seek the buyer, instead of being besought by him. Probably one of the principal obstacles at the moment to the re-establishment of business on a more normal basis is the instability which prices have manifested during recent months. This condition, however, cannot be of long duration, and we may hope that before the winter has run its course it may be a thing of the past. Meanwhile we repeat once again what we have so often urged, that the whole world must aim to work hard and avoid extravagance if the damage caused to both property and credit by the late war is to be repaired.

The President then said:

President's Address

The year has been as full of highly important events as other recent years, but while much that has happened is very distressful indeed, many of our experiences have been natural and remedial even if disagreeable. War and famine are still present, although in a lessened degree, but assassination and other forms of murder, by men associated for that purpose, have grown to alarming proportions. As against these bad conditions, there have been fewer strikes and some improvement in the attitude and in the efficiency of workers generally. It must also be a source of genuine satisfaction to all fair-minded people that we are now fully entered upon that adjustment of prices, both for commodities and labor, upon the reasonable settlement of which all hope for our future happiness and prosperity rests.

The Strain on Credit

A year ago we were still in the full tide of high prices, high wages, supplies unequal to the demand, inefficient labor, inefficient transportation, reckless spending and all the other concomitants of a world-wide inflation, based not on industrial enterprise, but on the creation of so-called wealth from the evidences of debt issued by Governments living beyond their means. Warnings that continuance meant ruin were not wanting, but they met with little more response than warnings usually do. There was widespread unrest, as labor did not remain satisfied with any strike adjustment which immediately met higher prices for commodities. Bankers found it impossible to grant credits which were steadily made larger by two proportions, larger quantities and higher prices. Thus, with the efforts of Governments to economize, came the lessening of the stream from which deposits are derived, and hence a curtailment of bank credits.

The Effect

This seriously affected the stock markets in the latter part of 1919, and as bank rates in Great Britain and the United States began to rise and the collapse in raw silk took place in Japan, other commodities began to follow, and raw silk, rubber, hides, sugar, cotton, manufactured textiles, clothing, boots and shoes, field products and meat in certain forms, one by one, have had declines in price, often sensational beyond anything in recent years.

Our Foreign Trade

Reviewing as usual our own foreign trade, we find the total of exports and imports for 1920 to be $2,351,174,000, as compared with revised figures for 1919 of $2,188,471,000, and for 1918 of $2,549,681,000. Unfortunately the increase over 1919 is almost entirely in imports, so that the increase in volume, far from being gratifying, is distinctly the reverse. With a slightly larger total of exports, we imported nearly 150 millions more than in 1919. Thus the excess of exports fell to the lowest point reached in the last four years. The fiscal year ends in March, but the unfortunate tendency of our foreign trade is much more evident when we compare the six months' period ending in September. During that period in 1919 our surplus of exports was $151,037,000, while in 1920 we have actually imported $151,145,000 more than we have exported, a change for the worse of over 300 millions and a complete reversal of our trade position. The position of our exports for the fiscal year, taken alone, is quite satisfactory. During the war our exports were swollen by the item of explosives, but this has now been reduced to small figures. It amounted to 386 millions in 1918, to 251 millions in 1919, and to only 12 millions in 1920; so that to keep our exports from diminishing we had to find new merchandise to export in 1920 amounting to about 240 millions, and we actually did so to the value of about 257 millions. The increases under the general headings are as follows: grain, flour and all vegetable products (except chemicals, fibres and wood), 127 millions; animals and their products (except chemicals and fibres), 69 millions; fibres and textiles, 6 millions; wood and wood products and paper, 59 millions; ships, 28 millions. Against this we have important declines in copper, nickel, gold, silver and other metals and metallic products of about 25 millions. In the six months' period ending September, we have, however, a great change. In grains, flour, etc., we have a loss of 45 millions; in animals and their products, 53 millions; in fibres, etc., 8 millions; in various other items, 15 millions; while in wood, paper, etc., there is a gain of 63 millions, and in iron, other metals and non-metallic minerals, there is a gain of 13 millions. The total shows a falling off of 40 millions.

Increase in Imports

It is in our imports that we have exhibited a most unfortunate lack of appreciation of individual and national responsibility. Our imports for the fiscal year ending in March were 145 millions larger than in 1919, but since one item connected with the war, articles imported for the Army and Navy, amounting in 1919 to 50 millions, has practically disappeared, we have gone wrong to the extent of nearly 200 millions. The excess of 83 millions in vegetable products covers such items as distilled beverages, 7 millions; fruits, 11 millions; rubber, 5 millions; sugar, 34 millions; tea, coffee, etc., 12 millions. The excess in animals and their products is 53 millions, of which the large items are: furs, hides, leather, etc., 30 millions, and meat, 16 millions. The excess in fibres, textiles, etc., is 53 millions, of which the large items are: cottons, 14 millions; silks, 11 millions; wool and its products, 23 millions. In the various forms of machinery and material coming under the heading of iron and its products, there are large increases and large decreases in individual items, the net result being an increase of less than 5 millions. In coal products there is a decrease of 16 millions. The whole result is bad, but it is trifling when compared with the six months' period ending in September. For this half year, in which our exports declined under each general head except wood, and metals and other minerals, we actually imported 152 millions worth of merchandise in excess of our exports. Except in the one item of animals and their products, there are increases of from nearly 50 to over 100 per cent. under all general headings.

Exports to Great Britain

The excess of exports to Great Britain, which in 1918 was as high as 779 millions, was in the fiscal year 1920, 370 millions, still a very satisfactory figure. For the six months' period, however, it fell from 236 millions in 1919 to 28 millions in 1920. The excess of imports from the United States for the fiscal year was 300 millions, against 272 millions in 1919. For the six months' period it was 210 millions, against 135 millions in 1919. When we look at the third set of figures now supplied by the Government, that is, from September, 1919, to September, 1920, the full force of our extravagance is evident. In that period we exported less by 23 millions than in the previous twelve months, and we actually imported 440 millions more.

Fatuous Extravagance

It is painfully evident, however, that we waste our breath by setting out these figures year after year. Nothing but inability to buy will check such fatuous extravagance. Is it to be wondered at that people coming to Canada from Great Britain are shocked and profoundly astonished at such lavish expenditure of money at a time when the world is so full of real trouble?

The New United States Tariff

If we turn to the figures for our foreign trade we find that our exports consisted in value of 639 millions in manufactured articles and 648 millions in foodstuffs. These foodstuffs were shipped to Great Britain to the extent of 368 millions and to the United States to the extent of 134 millions. Foodstuffs th[illegible]

form a most important part of our power to pay for imports of 801 millions from the United States, of which, by the way, 126 millions represent foodstuffs bought by us from them. Trade between countries, however much confused with foreign exchange and postponed settlements by sales of securities, is a matter of exchanging merchandise. How could we have imagined, therefore, that the United States, the creditor nation of the world at the moment, while awaiting a revision of their tariff looking to higher protection, would pass in Congress a bill placing an embargo for ten months upon foodstuffs shipped by Canada and other countries, all of whom are doubtless depending on these products to pay for the products they are buying from the United States? These are the days of embargoes, tariff revisions, and newly devised schemes to preserve prices which are doomed to readjustment, but we can only hope that the Senate will not approve of such unfriendly and destructive legislation. It is evident, in view of the present relations of the American and the Canadian dollar, that our rejoinder must be to put an end to an equal amount of purchases from the United States.

The Cattle Embargo

Reflection on the markets for our exports brings up the question as to how long the British embargo on Canadian cattle is to last. For about thirty years, during which time Great Britain has been supposed to be a free-trade country, our live cattle have been excluded from the British market, unless immediately slaughtered, on the pretext of the necessity of keeping British herds free from disease. No proof of any danger from our cattle has been shown, and it is generally admitted that the embargo is simply a case of extreme protection for British cattle breeders against the interests of the meat consumers of Great Britain, and particularly against the business interests of about 40,000 British butchers who wish it removed. May we not hope that in this day when the problem of feeding the people of Great Britain is so difficult, such an irritating obstacle may be removed? If the British meat consumer understands that there is nothing whatever the matter with Canadian live stock as such, and still desires this protection for cattle breeders at home, we of course have nothing to say, but we should like to feel sure that he does understand.

Our Field Crops

The value of the field crops of Canada for 19[illegible] [illegible] by the Dominion B[illegible] Statistics at $1,636,664,000, as against revised figures for 1919 of $1,452,437,000. An important change has been made in the preparation of this report. Hitherto it has been prepared by the Bureau, for Canada as a whole. Now it has the benefit of consultation with each of the nine provincial departments of agriculture. The prices also are taken from those current in the respective localities, and in view of the falling tendency at present, the total estimate may therefore turn out to be too high. The increase in the estimates of about $184,000,000 is derived from increases in wheat of $172,000,000, in potatoes of $21,000,000, in hay and clover of $16,000,000 and in roots of $4,000,000, with decreases in oats of $10,000,000, in barley of $17,000,000 and in other grains of $2,000,000. We have about 100 million bushels more wheat than in 1919, so that the accuracy of the estimate depends much upon the price of this grain. We have 148 million bushels more of oats, the largest yield on record, yet the price has fallen so that the money value of the whole crop is $10,000,000 less than in 1919. On the other hand, hay and clover, while less in quantity, yield more, the price for hay being the highest in our history. Saskatchewan, with $412,000,000, and Ontario, with $396,000,000, provide about one-half of the value of all the field crops in Canada.

Mineral Production

From such information as we can obtain the total value of the mineral production of Canada for 1920 is probably $200,000,000. This compares with the great year of 1918, when the total was $211,301,000, and is well above 1919, when it fell to $176,686,000, because of the reaction following the war. In the rebound from this reaction there has been an increased production of coal, asbestos, and other non-metallic products and of pig-iron and steel, other non-metallic products and of copper, nickel, zinc and, in a slight measure, of gold. There has been a falling off in silver and lead. The production of coal, asbestos and zinc has been larger than in any previous year. The prices of metals, except silver, were well maintained during the first nine months of the year, and the decline later has not reduced the average below that of 1919.

The National Debt

The public debt of the Dominion, which at 31st March, 1919, was estimated as being under $2,000,000,000, is at 30th November, 1920, eighteen months later, stated to be $2,298,784,000, but against this are held certain non-active assets, consisting chiefly of railway loans and amounting to $284,015,000, which were heretofore deducted from the total. During the fiscal year ending March, 1920, expenditures chargeable to the war, amounting to $346,612,000, were made, followed by only $8,963,000 during the six months ending 30th November, 1920. We may therefore hope that the back of our direct war expenditure is broken. There is still due by Great Britain $162,000,000 and by foreign governments $45,000,000, but the amount due by Great Britain has been deducted in estimating the net debt. As the heavy payments caused by the war are now nearly at an end, we can, having regard to established systems of taxation, begin to estimate our actual position as to debt and our capacity to deal with it.

Sales of Securities

The sales of Canadian securities for 1920 have of course fallen to lower figures because of the absence of popular Dominion Government loans in Canada. The figures are as follows:

Security	Amount	Canada	United States	Great Britain
Government	$113,455,500	$ 39,035,500	$ 74,420,000	
Municipal	58,994,728	49,312,496	9,682,232	
Railway	96,500,000	....	96,500,000	
Public service corporation	11,500,000	200,000	11,300,000	
Miscellaneous	38,381,853	16,106,853	22,275,000	
Total, 1920	$318,832,081	$104,654,849	$214,177,232	
	100%	32.82%	67.18%	
Comparative figures for 1919	$900,383,728	$699,291,095	$204,987,500	$5,105.133
	100%	76.89%	22.54%	.57%

We have again been given by a most competent authority an estimate of the amount of our securities held abroad. These are now estimated at $2,189,000,000 held in Great Britain and European countries, and $1,441,000,000 held in the United States. If we calculate the interest on the former, which were financed before the war, 4¾ per cent., and on the latter at 5½ per cent., the total of our interest payments would be about $183,000,000 annually. Doubtless there are securities held abroad which are not included in this circulation, and the high rates lately paid for loans may increase the average beyond the rate of 5½ per cent., so that the actual amount we have to pay is doubtless midway between 183 millions and the sum of 190 millions suggested a year ago.

Shrinkage of Credit

A year ago the cry in every direction was for more production and more efficiency in labor, better and less costly conditions in transportation, and a cessation of Government borrowings and of credit inflation. The enormous quantities of unsold commodities at the present time seem inconsistent with the cry for greater production at that time, but it is doubtful if there is any real inconsistency. Except for stocks of certain commodities held by Governments who continued to exercise control over trade and did not liquidate these stocks at the close of the war, it is questionable if there are more commodities than the world needs for its ordinary comfort. The trouble does not arise from over-production, except as to luxuries, but from a sudden shrinkage of credit operations, a vast psychological change in the middlemen who buy and sell between the producer and the consumer, and following these factors, and to some extent because of them, from a sudden falling away of the buying power, and a distinct change in the desire to buy, of the people generally. From a period of expansion marked by the most extravagant buying ever known, we have entered upon a period of liquidation. We are just as bent now on finding a sure bottom as we were on finding the dizzy top a year ago.

Decline in Prices

The Monthly Review of the Federal Reserve Bank in New York at the close of November quotes the decline in commodity prices from the peak as about 10 to 14 per cent. in Great Britain, 11 per cent. in Canada, in the United States various estimates from 14 to 33 per cent., in France 14 per cent., and in Japan 28 per cent. The decline of the past six months in the United States is said to be more abrupt than anything since the same period at the close of the Civil War. While there must have been countless perplexing and grave problems, often involving totals in money which were enormous relatively to past experience, it is greatly to the credit of modern banking in most countries that we have been able to meet these situations as they have arisen. Embargoes and moratoriums are still necessary, and the foreign exchange difficulties are not always subject to settlement by a mere premium or discount in the rate.

Cancellation of Orders

Trade with countries other than distressed Europe has been threatened with stoppage until bankers devised new expedients for bridging difficulties not met with for many years, if ever before. The stoppage in buying and, what is much worse and not creditable to modern conditions of trade, the cancellation of orders, have so disturbed the calculations of manufacturers and merchants that borrowings from the banks, and by note and bond issues from the public, have been necessary in the United States on a scale never known before. The liquidation which has set in will bring about easier monetary conditions as the natural accompaniment of less active trade and the decline in prices, and, unfortunately, we can already see that many will be out of employment during the coming winter.

Unemployment

In the United States, as usual, movements are more acute than in Canada, and in some branches of trade, such as motors and clothing, employment has fallen as much as 50 to 75 per cent. On the whole, what with some trades in a better condition and with labor needed in farming and lumbering, heretofore very short of workmen, the lessening of employment is not very prevalent as yet. The unemployed of course congregate in the cities and raise grave questions which had better be met by public works, where labor is given in exchange for pay than by doles which tend to break down the individual effort on which our society is based.

Immigration Increases

It is unfortunate, although quite natural, that at such a moment immigration shows its first great movement since the war. In 1913 a trifle over 400,000 immigrants came to Canada and in 1914 about 385,000, so that, but for the war, 1914 would clearly have been a record year. During the war the immigration was nominal, only 50,000 to 75,000 annually, but in 1920 the figures reached about 120,000, with the promise of a much more active movement as soon as rates are lower and passages more easily obtained. In 1913 immigrants came from the following sources: Great Britain 150,000, United States, 139,000, and all other countries 113,000. In 1920 the proportions were 59, 49 and 8. In both years the immigrants spread themselves reasonably well over Canada, Ontario, however, receiving twice as many as any other province. The proportion of immigrants from the United States who are farmers is about the same as before the war, and doubtless many others from that country are land seekers, but the proportion of farmers or farm workers from other countries, including Great Britain, is much smaller than before the war. We must hope that the present readjustment going on throughout the world will increase the number of land-seekers, because although we must prevent undue immigration while our own people want work, we shall always desire as many as possible to go on the land for a living.

The Soldier Farmer

In connection with land settlement and post-war work for our soldiers, a recent report of the Soldier Settlement Board is encouraging. The plan provides for loans for buying land up to $5,000, or 90 per cent. of the value, in each case, amortized over 25 years on the basis of 5 per cent. interest per annum, and for loans up to $2,000 for stock or equipment, payable in six amortized payments on the same interest basis, and of $1,000 for permanent improvements payable in the same manner as the land purchase. Over 57,000 soldiers have applied under the plan, over 41,000 have qualified and 20,000 are already on the land, while over 1,000 are in training with farmers. To settle these 20,000, slightly under 80 million dollars has been necessary, as against a possible 160 millions under the Act. Soldiers have made first payments amounting to four millions, while crops have already enabled further payments of nearly two millions to be made. In the prairie provinces alone, the soldier farmers have produced about 20 million bushels of grain.

The care taken in estimating the qualifications of each applicant for successful farming, in selecting the land, in buying stock, and implements, the latter at wholesale prices, in counselling and aiding in many ways those who have not yet made good—all suggest an admirable effort to carry out a plan of land settlement, the importance of which reaches far beyond the mere aid to the returned soldier, although that is the prime consideration. Where there are applicants who cannot make the initial payment, the various bodies aiding distressed soldiers are appealed to, and, of course, there are failures after all precautions have been taken. In 150 cases, involving an investment by the Government of $575,000, only about $10,000 was lost. The report closes with suggestions regarding land settlement generally, which it is hoped will have the consideration due to such an important question.

Pensions to Soldiers

Perhaps no new form of national expenditure caused by the war interests us so widely as the pensions paid to our soldiers. On the one hand there is an intense desire that justice be done to those who fought for us, while on the other hand there is a grave sense of the weight of the obligation falling upon the new generation to pay such a huge sum annually, in return for which there is not, directly or indirectly, any relative production of national wealth. At the end of 1919 there were 86,429 pensions being paid, at a cost of about $1,800,000 monthly. During the year, by the payment of $5,710,000, pensions were commuted to the extent of 14,292, and the number of pensions in force at the end of 1920 was 73,278. Further commutations are expected, bringing the total to about 18,000, on which about $7,200,000 will have been paid. At the moment our monthly outlay for pensions is about $2,500,000, but commutations will probably reduce this to about $1,850,000.

Taxation

In speaking last year about the manner of distributing the taxation necessary to carry our debt and to administer the Government, we expressed the opinion that if the annual payments are obtained by reasonably fair taxation, so levied that the taxes do not become a cause of restraining our industries, we shall not fail to win through, but to accomplish this much study of the subject is necessary. It must be admitted that the war has imposed upon Governments the necessity for collecting an amount of taxes beyond any past experience, and it should be evident that the total required can only be obtained by contributions on some scale from practically the whole body of the people. It is quite true that regard must be had to the capacity of the individual to pay, but in levying super-taxes no folly can be greater than to overlook the effect of excessive taxation on our industrial activities, not only as to future growth, but as to the present power to give employment to the wage-earner. We do not hesitate to say, now that the war is over, that some of the present forms of Dominion taxation, while justifiable during the war period and the period immediately succeeding it, are in danger of becoming destructive of enterprise and perilous to our future if not altered. As the forms of taxation to which I shall allude are similar to those of other countries in which the same evil results are apparent, and in which the tide of opposition is rising rapidly, I trust my remarks will not be regarded as a criticism of our Government, whose tasks during the war and since have been most difficult and onerous. We must suppose that these forms of taxation are experiments which are subject to speedy change if found to be too burdensome and unfair.

Tax on Sales

As against the "luxury" taxes now happily at an end, we have steadily urged a turnover tax of one per cent. on sales of commodities. We are aware that criticism, only, however, regarding certain details, of this form of tax have been made in the Tentative Report of the Tax Committee of the National Industrial Conference Board of New York, but these have been answered by the Chairman of the Business Men's National Tax Committee. One of the arguments made in the United States against it is that any tax which bears in the same rate upon the small earner as upon the large is unfair. But this is accompanied by the belief that a turnover tax would provide such a revenue as to displace the excess profits tax. I believe it would only provide a substratum of tax revenue, in which it is true that all would join alike, paying in precise proportion to their expenditure for commodities, but the manner in which those who have larger incomes would be taxed through the income tax would provide for that difference in treatment which modern taxation recognizes. A small tax on the sales of commodities and real property in Canada would hurt so little, would be so fair, would be so easily collected and would produce such a very large sum, that to fail to levy it seems excusable only if it can be shown to be impracticable.

Surplus Profits Tax

We are levying heavy surplus profits taxes, and many well-intentioned people think that we are justly punishing the so-called profiteer, but we are really killing the goose that lays the golden egg. When he can do so, he doubtless passes the tax on to the consumer, and escapes punishment himself, and the tax thus becomes a boomerang as far as the public are concerned. If we clearly know what we mean by a profiteer and can find him, let us punish him in such manner that the penalty imposed cannot be passed on to the ultimate buyer. But in ordinary cases, which affect by far the greater part of the business community, we are taking from enterprise the profit with which further enterprise would be created. It is from the accumulated profits of a business that growth both of plant and scope of operations mostly becomes possible. What do we think will happen if we steadily take such a large share of that profit away? It will be said that some concerns make too much money. But, as we argued a year ago, that should be demonstrated by the relation not of profits to capital but of profits to turnover, measured again by the proportion of possible turnover to capital. The manufacturer who turns his capital over many times, serving the public for a trifling profit on each sale, but making a large return on his capital because of his skill and activity, should surely not be punished by excessive taxation for being an excellent servant to the people. The tax is universally admitted to be unscientific and will do incalculable damage if continued. It was justified only by war conditions and only for the period of their duration.

The Income Surtax

The surtax features of the income tax when carried to the extreme percentages now in effect, are little less unwise and unfair than the excess profits tax. Those who are large shareholders in business enterprises should be ready to take up new share issues in such enterprises, as extensions may prove necessary. Taxation which first takes a large share of the profits from the company, and then a large share of the dividends of the same company because they happen to be part of a large private income, may seem to be sound policy to many, but if what we seek is the general good, it is deadly in its effects upon business enterprise and industry. I believe every good citizen in Canada wishes to pay for part of the cost of the war. He only desires that his ability to pay shall be regarded. A tax on the turnover of all business transactions would punish no one, and yet would mean the reaching of a most important substratum of the national income, in the creating of which everybody has joined. Upon real luxuries an excise tax might well be placed without resulting injury to trade. The articles selected should manifestly be luxuries in the strict sense of the term and clearly recognized as such by the general public.

Profits and Taxes

We are at the moment having illustrations both of the injustice and of the unreliability, as a form of Government income, of the excess profits tax in Canada and the United States. Business men who, in a time of high prices would not regard whatever value they might put upon merchandise in stock at the close of their financial year as anything but a pro forma method of closing their books, and who would keep large balances in Profit and Loss Account as a contingency against a fall in prices, are forced to fix a price for such merchandise, and also to fix, to the satisfaction of the Government, the reserves to be kept against such revaluation. As a result, in the United States at the moment, countless firms who in the great fall in commodity prices have lost a large share of all that has been made in several past years, look in vain for that so-called "excess profit" which the Government exacted from them, and I fear that there are at least a considerable number of business establishments in Canada in the same predicament. The Government is to be a partner in the business when profits are made, but not when losses are made. It is obvious that such a form of revenue must be subject to too great contingencies to be reliable. In the interest of all we must find a system of taxation which will do the least possible mischief to enterprise, instead of making men unwilling to take new risks because the Government seizes so much of the results when there are any and does not share either the risk or the loss.

Increase National Income

While we must for the time being levy enough taxes in some form to pay our interest charges, and to make, as we hope, some steady if slow reduction of the national debt, we should always bear in mind that it is only by the growth of our national income that we can expect again to reach a time when taxes will not be a drag upon our prosperity. We need more people upon the land, but we need more industries as well. We pay away yearly vast sums for imports, many of which should be unnecessary. We have untouched stores of raw materials for many kinds of manufacturing, the non-use of which is even more serious to Canada from the point of view of national finance than unploughed land. We export food by which our foreign debts are partly paid, but we import what we should make ourselves and thus create foreign debt. The present high rate of exchange on New York is the concrete expression of this debt, not only of that being created to-day, but in the form of annual interest payments of all the foreign debt we have created in the past.

Research Work Imperative

We have iron ores in plenty, but we do not spend enough on research to ascertain their status in relation to other ores in the United States on which we steadily depend. We have about 15 per cent. of the coal areas of the world, so far as such areas are accurately known. It may be that science cannot remove impurities and reassemble the coal so as to make transportation charges possible, and thus relieve Ontario of its great drawback, and the nation of its vast expenditure for the importation of this article, but research should be persistent until we are assured that such is the case. We have lately developed manufacturing processes in which chemistry is the main feature and others dependent on cheap water-power, and through these the triple benefit comes to us of giving employment, of enlarging the market for those who sell food and the other necessaries of life, and of offsetting or lessening by the selling value of the home-created product, the cost of those imports which are the main cause of our present difficulties. We are very glad indeed that our Dominion and Provincial Governments all spend large sums of money in educational and other ways, to aid agriculture. The Dominion Government and some of the Provinces also do something in the way of research for other industries, but we have come to a juncture where, along with the ordinary desire for progress, comes the heavy pressure of national debt which can only be relieved by increased production. For this we need research in countless directions, and in addition to what is now being done, I hope liberal aid will be given to all of our universities and that the scope of our Government research work may be enlarged.

Trade With West Indies

A very interesting convention took place in May and June, at which representatives of the West Indies and British Guiana met the Canadian Government in an effort to increase our trade with each other and improve our means of intercommunication. It is said that this is the first time that representatives of all the islands and of the adjacent mainland have met together, and it is gratifying to record that these colonies, which form in one sense a unit of the Empire, came together to discuss Imperial questions with Canada. As a result, an agreement between Canada and some of the West Indian group came into force on 2nd June, and a further agreement, which included the remaining members, was made on 18th June, subject to ratification by all the parties thereto, and in which all of the delegates present at the conference concurred. These agreements are based upon an increase of the mutual preference now granted, an enlargement of the list of products to which the preference extends, and on co-operation in procuring and maintaining better steamship transportation, and, if possible, better cable communication. If we consider the adjacency of the United Stated to the West Indies and the special relations to the latter of the great fruit company with its lines of steamers, we can readily understand that our hope of a large and reasonably quick development of trade with these parts of the Empire depends on the steamship and cable services we are able to create and maintain. Nothing but the best both in kind and in administration will be of much use. In addition to this West Indian Convention, we had the Imperial Press Conference and the Congress of the Chambers of Commerce of the Empire. We cannot doubt that such meetings of men important in Imperial affairs will both widen our outlook and strengthen our determination that the British people shall merit the leadership in the world's advancement.

A Year Book

Over thirty [illegible] years ago this [illegible] Bank began the, at that time, quite unusual practice of presenting at the annual meeting, in the adresses of the President and the General Manager, a review of the industrial conditions of the area in which the Bank was interested. As this widened from Ontario to other parts of Canada, then to the whole Dominion and to various parts of the United States, later to Great Britain and Newfoundland, and now to the West Indies and South America, it has been necessary to change the manner of imparting this information to our shareholders and to the public. Until 1913 the effort to incorporate it directly in the addresses was continued. Then it was decided to present it in what has been called a Review of Business Conditions, in the extended form in which it reached us from the Superintendents and other officers who make these annual reports to Head Office, and this has been supplied with the annual report to the shareholders and the public. About four years ago the bank found it desirable to establish its Monthly Commercial Letter, which has made for itself a very extensive circulation, and it has now been concluded to publish as early as possible after the annual meeting a Year Book, in which the Review of Business Conditions, now grown to larger proportions than ever, will appear together with material of special interest gathered from the Monthly Commercial Letter and from other sources.

The Sin of Extravagance

Among the lights and shadows of the world there are at the moment too many shadows to warrant anything but anxious care. You have heard from the General Manager the results of the best year the Bank has ever had, and thus far we have not much evidence of a decline in the spending habits of our people or that hard times are ahead of us. We know, however, that here as elsewhere all prices, whether of commodities or of labor, must be reduced to a more reasonable basis, and the effect of the world's lower price for farm products is already plain to all. When this readjustment has reached the retail shop and a new basis of values has been generally accepted, a genuine prosperity will arise throughout the world in which we shall have a large share. We shall merit and we shall secure that prosperity in proportion to our good sense in realizing now that our particular sin is extravagant expenditure and willingness to incur debt.

The report was adopted unanimously. Messrs. T. Harry Webb, C.A., and Douglas Dewar, C.A., were appointed auditors, and the usual votes of thanks to the directors and staff were passed. The meeting then adjourned.

UTILITARIANISM PART OF ECONOMIC POLICY OF CANADA

Canadians Shine in Bold Originality of Thought and Action

SOME MISCONCEPTIONS

London Member of Imperial Press Conference Details Some of His Impressions

The average Englishman's conception of conditions in Canada is quite often not in accord with fact. According to Dr. Ellis T. Powell, one of the London delegates to the Imperial Press Conference at Ottawa last summer, who writes of his impressions in The Financial Review of Reviews, Canada, is visualized by most European people as a comparatively small country, where the inhabitants live in a rough colonial style, and where anything in the nature of advanced civilization is either unknown or unfamiliar. He illustrates the ignorance of distances here by the following incident:

An English firm had an agency in Toronto, through which they conducted such business as they did with Western Canada. A Winnipeg client wrote to the firm expressing his opinion that the time had arrived for the establishment of an agency in Winnipeg itself so as to avoid the waste of time involved in communicating with Toronto. In reply the firm wrote that a Winnipeg agency was superfluous since the Toronto agent could "run over to lunch" any day when the Winnipeg client desired to see him, and notified him to that effect. The writers of the letter were unaware that a distance of something like 1,500 miles separated Toronto from Winnipeg, and that the journey from one place to the other, so far from being a pre-lunch trip, would involve considerable night travelling.

Dr. Powell, who subsequently to the conference travelled some 8,000 miles throughout Canada, offers some further enlightening information upon his observations here. He is impressed with the seemingly limitless sweep of her area, and the immeasurable wealth of mineral deposits. There can be no doubt, he declares, about the effect of the boundless landscapes upon the Canadian mind. In the east, however, amid the throng[illegible] Toront[illegible]ngs of Montreal and [illegible]onto, there are many myriads who have never seen the immensities of the west, and their minds are as cramped as those of the city-bred and city-dwelling population of England. But as soon as one travels west, he continues, encountering a people born, or long domiciled amid the vastness of the west, a totally different spirit is encountered. Though the dwellers of the east and west are one in relationship owing a common allegiance to Canada, they are as different in temperament and outlook as is the Englishman from the mercurial Frenchman. He continues as follows:

Breed Self-confidence

The expanses breed a self-confidence, an adventurous daring, a dauntlessness and an independence of character, which transform Westerners into another race.

It is in bold originality that the Canadians shine. Part of the economic policy of Canada is a severe utilitarianism, perhaps a trifle repellent at first view, though undeniably sound in relation to present conditions. The whole method is embodied in the Canadian locomotive, which may well serve as an object lesson. The engine is a huge black giant, attractive to the eye in no sense save in its colossal size, and perhaps in its suggestion of terrific power. They lack the merest rudiments of beauty. There is no trace of the elaborate lining and beauty of color which make so many English locomotives at once the embodiment of strength and a triumph of artistic design.

This instance of the locomotive is emblematic of the Canadian outlook upon the practical factors of life. Where beauty of outline and elaboration of detail serve an aesthetic or educational purpose Canada can be lavish enough. The legislative buildings are wonders of decorative art. So are some of the university structures. A million dollars does not go far in completing these monuments of Canada's aspiration, and the Dominion is generous enough where they are concerned. But she will not spend either capital or time or labor upon the non-essentials, because she has no superfluity of any of these factors of progress, nor is she likely to possess it within the lifetime of the present generation.

Position of C. P. R.

Referring to the Canadian Pacific Railway, he described its construction as an example of financial courage and daring almost unexampled in the history of humanity. The point which interested the average holders of Canadian Pacific securities today, he continues, was the likelihood or unlikelihood of the Canadian government seeking to nationalize the line. While in Canada, he inquired upon this point from quarters whence an authoritative reply might be expected. He was assured that the Canadian Pacific was politically far too strong to be acquired by any government against its will, and that its will was fixed against any such acquisition. Secondly, he was positively told that its huge staff would not work for a government. In the third place, he was given a reason much more cogent and convincing than the other two: to wit, the absolute impossibility of the Dominion government finding the money or half the money, which a purchase of the Canadian Pacific would involve. The money could not be got for less than 7 per cent. and would probably cost 7½ per cent. in present money market conditions.

He refers to the hydro-electric development of Ontario as another aspect of Canada's utilitarian policy which was fraught with serious lessons for the mother land. He made detailed reference to the luncheon club habit, which has become an established institution in many Canadian cities and is familiar to all Canadian business men. He declared that this habit was of inestimable educational value. He outlined the procedure as follows:

At the appointed time the members meet. Towards the end of the meal, which lasts only twenty minutes, a cup of coffee is served. This constitutes all the waiting that takes place. Then the chairman rises, tells in two minutes who and what the speaker is, and sits down. The rest of the hour is at the speaker's disposal, and he will be certain of the most close, cordial, yet critical attention. The late Earl Grey, after he ceased to be Governor-General of Canada, tried to introduce the luncheon system on this side. By assiduous organization he got the luncheon served within the first half hour, leaving the second for the speaker. But since his death, apart from sporadic efforts, I have seen no attempt to put the system on a firm footing in this country.

The Spanish River Pulp and Paper Mills, Ltd.

Incorporated Under the Laws of The Province of Ontario.

To the Holders of Six Per Cent. First Mortgage Sinking Fund Gold Bonds of the Above Named Company.

NOTICE IS HEREBY GIVEN, that at a Special General Meeting of Shareholders of The Spanish River Pulp & Paper Mills, Limited, held at the Head Office of the Company in the City of Toronto, on the 23rd day of June, 1920, the Shareholders approved of a plan to pay the accumulated dividends on the Preference Stock of the Company up to June 30th, 1920, amounting to 42% by the declaration of a Preferred Stock dividend and that in accordance with Clause 7 of a Supplemental Mortgage dated the 20th of January, 1915, made between The Spanish River Pulp & Paper Mills, Limited, and the Montreal Trust Company, the holders of the various bonds mentioned in said clause including the holders of the bonds to whom this notice is directed will receive their pro rata share of 10% of the total amount of the Preference Stock of The Spanish River Pulp & Paper Mills, Limited, issued in accordance with the said plan so approved by the Shareholders as aforesaid. Under the terms of the said Clause 7 of above Supplemental Mortgage the holders of the various bonds therein mentioned are also entitled to 10% of the total amount of any cash dividend paid to the holders of the Common and/or Preference Shares of The Spanish River Pulp & Paper Mills, Limited. A cash dividend of 1¾% for the quarter ending September 30th, 1920, has been distributed to both Common and Preferred Shareholders and bondholders will be accordingly entitled to their pro rata share of such dividend.

In order to distribute to the holders of the above mentioned Six Per Cent. First Mortgage Sinking Fund Gold Bonds their proportion of said Preference Shares under said Clause 7, and to provide a convenient means of distributing the above and all future cash dividends to bondholders, it will be necessary that all holders of said Bonds, whether of registered bonds or bearer bonds, send their bonds at once to the Montreal Trust Company, 61 Yonge Street, Toronto, or to the Montreal Trust Company, Montreal, Quebec, or The Agency The Royal Bank of Canada, 68 William Street, New York City, or City Trust & Savings Bank, Dayton, Ohio, or Montreal Trust Company, 2 Bank Buildings, Princess Street, London, E. C. 2, England, in order that the bonds may be stamped with a notation that the holders thereof have received their respective proportion of the said Preference Stock of The Spanish River Pulp & Paper Mills, Limited, and have also received the necessary certificate with coupons attached to enable them to collect their pro rata share of all cash dividends now or hereafter distributable to bondholders.

Bondholders are urged to send in their bonds to any of the above places at once, in order that the above distribution may be made without undue delay.

MONTREAL TRUST COMPANY, Trustee.

Toronto, November 24th, 1920.

DIVIDING THE PROFITS

Employees Share in Net Earnings According to Production

A plan that was built to cut down the labor turnover and obtain and keep a steady group of employees has been successfully exploited in one steel and foundry plant in Michigan.

This company continues to pay top-notch wages. It says to its men, "If you work for us satisfactorily for six months we will divide with you 30 per cent. of the profits." It gets at its profits by having its books audited by a competent man, determining exactly the gross earnings and deducting therefrom the legal rate of interest for the capital invested. The sum remaining is divided equally among the labor participants, the remaining 70 per cent. going to the stockholders or being put back into the business. The men themselves determine who should share in the profits through a committee made up of seven foremen and the manager. Should this committee disagree a "Town Meeting" of workers is called to decide the matter.

LOWER PRICES AFFECT FISHERIES HARVEST

Total Catch of Sea Fish About $4,000,000 Less Than in 1919

By Resident Representative.

OTTAWA. — Complete returns for the fishery operations of the year are never available until a few months after the year ends. The latest returns now collated are for the ten months period from January to October, 1920, but as the most active season is over they are quite sufficient to give an accurate idea of the general result of the year's operations.

The total catch of sea fish on the Atlantic and Pacific coasts for the ten months amounted to about 6,337,474 cwt., with a value to the fishermen at the point of landing of about $23,519,442, as compared with 6,677,603 cwt. valued at $27,511,991 for the same period in 1919, showing a decrease of 340,133 cwt. in quantity and almost $4,000,000 in value. It is estimated, moreover, that when the cured product has been marketed, the value will be still further decreased, as there is a drop from 25 to 30 per cent. in the price of dry fish, and the Newfoundland market is in a very bad state.

Of the total catch, the Atlantic provinces produced 4,245,295 cwt., valued at $12,240,870 in 1920, as against 4,705,180 cwt., valued at $14,678,678 in 1919. British Columbia's contribution to the total, the bulk of which consisted of salmon, amounted to 2,092,195 cwt., valued at $11,278,572, against 1,927,423, valued at $12,833,354 last year. The smaller value for the greater catch of 1920 was due to the fact that the increase came chiefly from herring, a cheap fish, whereas the catch of salmon was reduced. The salmon catch on the Pacific fell short of that of 1919 by 180,000 cwt., due to the poor demand for pinks and chums, the cheaper grades. During the war such grades were sought after at a price equal to that paid for sockeyes before the war. When the war ended, there were large quantities of the cheap grades on hand, which the packers could not get rid of, so that the pack of those varieties was small last year. The sockeye was in demand as much as ever. Salmon were responsible for more than $2,000,000 of the drop in value of the catch.

JAPANESE SITUATION

Volume of Trade Shows Considerable Falling Off

The import trade of Japan shows rapid decline amounting to 123,187,000 yen in August as compared with 156,658,000 yen in July, accompanied by a decline in exports. In addition to government assistance, curtailed production, cancelled contracts, a manufacturers' and merchants' union was organized to create an artificial shortage by buying up the surplus in the markets.

The trend of banking conditions is indicated by the fact that the loans of the associated banks of Tokio having reached 1,782,616 yen by September 4, surpassed deposits, amounting to 1,680,808,767 yen. By September 18 deposits had reached 1,674,928,567 yen, after a decline to 1,669,686,997 yen on the 11th, but loans were still in excess, amounting to 1,786,517,246 yen. Bank clearances since July indicate a diminishing volume of business in all lines of commerce, while the decline of business on the stock market is even greater. Prices are still below the standard level in the woolen fabric trade and the cotton yarn market, while rice prices have taken a decided fall. Much the same is true of sugar, flour and matches.

WORLD'S GOLD SUPPLY

Holdings by Banks and Governments Greatly Increased

Aggregate gold holdings of banks of issue and governments of the leading countries of the world increased over $3,000,000,000 since the year preceding the European war.

In other words, central gold reserves of leading countries increased from $3,181,000,000 in 1913 to $6,256,000,000 in 1920, or about 97%. These figures take no account of the Russian gold, because no recent figures are available. In 1913, the Russian state bank had $786,800,000, and in 1917 $667,041,000. Records for subsequent years are missing.

The government gold counted in this connection is confined to the gold held as reserve against currency, and the bank figures represent actual vault holdings, exclusive of gold held abroad and of foreign credits.

This growth of gold reserve in central institutions represents in part the result of efforts made by the governments to withdraw gold from general circulation and to concentrate it in the banks of issue,

Ontario Pulp & Paper Company, Limited

Incorporated Under the Laws of The Province of Ontario.

To the Holders of Six Per Cent. First Mortgage 30-year Gold Bonds of the Above Named Company.

NOTICE IS HEREBY GIVEN, that at a Special General Meeting of Shareholders of The Spanish River Pulp & Paper Mills, Limited, held at the Head Office of the Company in the City of Toronto, on the 23rd day of June, 1920, the Shareholders approved of a plan to pay the accumulated dividends on the Preference Stock of the Company up to June 30th, 1920, amounting to 42% by the declaration of a Preferred Stock dividend and that in accordance with Clause 7 of a Supplemental Mortgage dated the 13th of January, 1915, made between The Spanish River Pulp & Paper Company, Limited and The Royal Trust Company, the holders of the various bonds mentioned in said clause including the holders of the bonds to whom this notice is directed will receive their pro rata share of 10% of the total amount of the Preference Stock of The Spanish River Pulp & Paper Mills, Limited, issued in accordance with the said plan so approved by the Shareholders as aforesaid. Under the terms of the said clause 7 of above Supplemental Mortgage the holders of the various bonds therein mentioned are also entitled to 10% of the total amount of any cash dividend paid to the holders of the Common and/or Preference shares of The Spanish River Pulp and Paper Mills, Limited. A cash dividend of 1¾% for the quarter ending September 30th, 1920, has been distributed to both Common and Preferred Shareholders and bondholders will be accordingly entitled to their pro rata share of such dividend.

In order to distribute to the holders of the above mentioned Six Per Cent. First Mortgage 30-Year Gold Bonds their proportion of said Preference Shares under said Clause 7, and to provide a convenient means of distributing the above and all future cash dividends to bondholders, it will be necessary that all holders of said bonds, whether of registered bonds or bearer bonds, send their bonds at once to The Royal Trust Company, 59 Yonge Street, Toronto, or, The Royal Trust Company, Montreal, Quebec, or Agents of the Bank of Montreal, 64 Wall Street, New York City, or City Trust & Savings Bank, Dayton, Ohio, or The Bank of Montreal, 47 Threadneedle Street, London, E.C., England, in order that the bonds may be stamped with a notation that the holders thereof have received their respective proportion of the said Preference Stock of The Spanish River Pulp & Paper Mills, Limited, and have also received the necessary certificate with coupons attached to enable them to collect their pro rata share of all cash dividends now or hereafter distributable to bondholders.

Bondholders are urged to send in their bonds to any of the above places at once, in order that the above distribution may be made without undue delay.

THE ROYAL TRUST COMPANY, Trustee.

Toronto, November 24th, 1920.

Lake Superior Paper Company, Limited

Incorporated Under the Laws of the Dominion of Canada.

To the Holders of Six Per Cent. First Mortgage 30-Year Gold Bonds of the Above Named Company.

NOTICE IS HEREBY GIVEN, that at a Special General Meeting of Shareholders of The Spanish River Pulp & Paper Mills, Limited, held at the Head Office of the Company in the City of Toronto, on the 23rd day of June, 1920, the Shareholders approved of a plan to pay the accumulated dividends on the Preference Stock of the Company up to June 30th, 1920, amounting to 42% by the declaration of a Preferred Stock dividend and that in accordance with Clause 5 of a Supplemental Mortgage dated the 20th of January, 1915, made between Lake Superior Paper Company, Limited, and The Royal Trust Company, the holders of the various bonds mentioned in said clause including the holders of the bonds to whom this notice is directed will receive their pro rata share of 10% of the total amount of the Preference Stock of The Spanish River Pulp & Paper Mills, Limited, issued in accordance with the said plan so approved by the Shareholders as aforesaid. Under the terms of the said clause 5 of above Supplemental Mortgage the holders of the various bonds therein mentioned are also entitled to 10% of the total amount of any cash dividend paid to the holders of the Common and/or Preference shares of The Spanish River Pulp & Paper Mills, Limited. A cash dividend of 1¾% for the quarter ending September 30th, 1920, has been distributed to both Common and Preferred Shareholders and bondholders will be accordingly entitled to their pro rata share of such dividend.

In order to distribute to the holders of the above mentioned Six Per Cent. First Mortgage 30-Year Gold Bonds their proportion of said Preference Shares under said Clause 5, and to provide a convenient means of distributing the above and all future cash dividends to bondholders, it will be necessary that all holders of said bonds, whether of registered bonds or bearer bonds, send their bonds at once to The Royal Trust Company, 59 Yonge Street, Toronto; or The Royal Trust Company, Montreal, Quebec; or, Agents of the Bank of Montreal, 64 Wall Street, New York City, or City Trust & Savings Bank, Dayton, Ohio; or The Bank of Montreal, 47 Threadneedle Street, London, E.C., England, in order that the bonds may be stamped with a notation that the holders thereof have received their respective proportion of the said Preference Stock of The Spanish River Pulp & Paper Mills, Limited, and have also received the necessary certificate with coupons attached to enable them to collect their pro rata share of all cash dividends now or hereafter distributable to bondholders.

Bondholders are urged to send in their bonds to any of the above places at once, in order that the above distribution may be made without undue delay.

THE ROYAL TRUST COMPANY, Trustee.

Toronto, November 24th, 1920.

THE BANK OF NOVA SCOTIA

NOTICE is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 26th January next, at Eleven o'clock a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board,

H. A. RICHARDSON, General Manager.

Halifax, N.S., December 11th, 1920.

Dividend No. 80

Hollinger Consolidated Gold Mines, Limited

No Personal Liability.

A DIVIDEND of 1% upon the paid-up capital stock of the company has been declared payable on the 28th of January, 1921, on which date cheques will be mailed to shareholders of record at the close of business on the 18th of January, 1921.

Dated the 6th day of January, 1921.

D. A. DUNLAP, Treasurer.

Howard Smith Paper Mills Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 2% on the Common Stock, and 2% on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 31st day of December, 1920, payable on the 20th day of January, 1921, to shareholders of record at the close of business on the 10th day of January, 1921.

By Order of the Board.

HAROLD CRABTREE, Secretary.

Montreal, Que., December 28th, 1920.

The Merchants Bank of Canada

QUARTERLY DIVIDEND

A DIVIDEND of Three Per Cent. for the Current Quarter, being at the rate of Twelve Per Cent. per annum, upon the Paid Up Capital Stock of the Bank, was declared payable on 1st February next to Shareholders of record on the evening of 15th January, stock not fully paid up on 1st November to participate from that date on the amounts then paid up and on subsequent payments from the dates thereof.

By Order of the Board.

D. C. MACAROW, General Manager.

Montreal, 28th December, 1920.

NIAGARA FIRE INSURANCE COMPANY

Incorporated 1850 — Head Office: NEW YORK

Cash Capital: $1,000,000.00

Total Assets Decr 31st, 1919: $11,817,340.03

Canadian Department: MONTREAL — W. E. Findlay, Manager

Toronto Agents - - - Murphy, Love, Hamilton & Bascom

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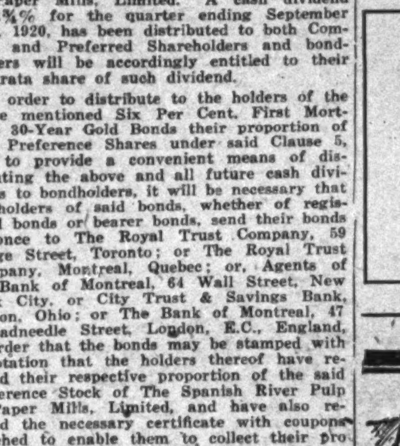

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